

Special Report • Family Offices



Tricky Move

Asia's wealthy are struggling with succession plans *p3*

Try Before You Buy

Here's where to get data on private luxury-brand takeover targets *p10*

Beyond Brexit

A new leader in the U.K.? The threat isn't priced in, says TwinFocus *p16*

Golden Opportunity

A London-based money manager is cycling into Silicon Valley circles *p20*

Next Generation

Heir to a Schlumberger fortune goes from zero to 60 in 3.1 seconds *p24*

Use the Proper Tools to Fix a Broken Trust



AN IRREVOCABLE TRUST has long been a key component of many estate plans. But what if it no longer serves its original purpose? Is it too late to change it? Depending on applicable state law, there may be options to fix a broken trust.

How trusts break

There are several reasons a trust can break, including:

Changing circumstances. A trust that works just fine when it's established may no longer achieve its original goals if a family's circumstances change.

New tax laws. Many trusts were created when gift, estate and generation-skipping transfer (GST) tax exemption amounts were relatively low. Today, however, the exemptions have risen to \$11.18 million (\$11.4 million for 2019), so trusts designed to minimize these taxes may no longer be necessary. Without the worry of transfer taxes, the higher income taxes often associated with these trusts become a more important factor.

Mistakes. Potential errors that can sometimes occur include naming the wrong beneficiary, omitting a critical clause from the trust document, including a clause that's inconsistent with the trust's purpose, and failing to allocate GST tax exemption properly.

Some of the ways to fix them

If a family has trusts that need to be adjusted, there are several tools that can help, depending on the applicable law in both a trustee's state of residence and the state where the trust is located. While an expert should be consulted before fully evaluating your options, potential tools include:

Reformation. The Uniform Trust Code (UTC), adopted in more than half of the states in the US, provides several tools for fixing broken trusts. Non-UTC states may provide similar options. Reformation gives the trustee the opportunity to ask a court to rewrite a trust's terms to better align with the grantor's intent. This tool is available if the trust's original terms were based on a legal or factual error.

Modification. This tool may be available through court proceedings as well, if unanticipated circumstances arise that require a trust to be revised in order to achieve its purposes. Some states permit modification – even if it's inconsistent with the trust's purposes – with the consent of the grantor and all the beneficiaries.

Relocation. In some cases, it may be possible to fix a broken trust by changing its situs and moving it to a jurisdiction whose laws are more favorable. The UTC may allow a trustee to relocate a trust to an appropriate jurisdiction if doing so would be in the beneficiaries' best interests.

The rules regarding the modification of irrevocable trusts can be complicated and vary dramatically from state to state. There are also risks associated with revising or moving a trust, including uncertainty over how the IRS might view the changes. Consulting with your advisor is highly recommended to help ensure a trustee has the opportunity to discuss all these potential benefits and risks, and that they design the best solution. For more information, please visit www.anchinprivateclient.com.



Jared Feldman, CPA
Leader - Anchin Private Client
jared.feldman@anchin.com



Mela Garber, CDFA
Tax Leader - Anchin Private Client
mela.garber@anchin.com

For more resources, please visit www.anchinprivateclient.com.

3

Forward Guidance

Touchy Subject

After building vast empires, Asia's moneyed are confronting uncomfortable questions, sometimes for the first time, as they prepare for complex inter-generational transfers of wealth and businesses

5

Surveillance

What does the wealth management industry know about millennials?

8

<GO>

Oil Paintings

Heirs to the Schlumberger oilfield-services fortune have been bringing an air of the Paris art scene to Houston since World War II

10

Try Before You Buy

Michael Kors Holdings' recent takeover of Gianni Versace SpA leaves a shrinking number of private global luxury brands available to acquire or invest in. Here's where you can find information on the next possible buyout target

12

Smoking Trends

With its recent legalization in Canada, marijuana is a hot topic, but is anyone really investing in it? Find out how to track flows into exchange-traded funds such as the North American Medical Marijuana Index

14

Prime Targets

Investors have had good reasons to be bearish on London real estate—from rising taxes to the uncertain political environment. See whether this is affecting property sales in the city's central boroughs

16

Who's Afraid of Jeremy Corbyn?

A potential left-wing U.K. government presents greater risks than Brexit to the assets of the ultrahigh-net-worth, says Harinder Hundle, managing partner at the London branch of multifamily office Twin Focus Capital Partners

20

Go West

London-based money manager Partners Capital has opened for business in Silicon Valley, targeting the venture capitalists and private equity executives who financed the tech boom

24

Miles Apart

While some Schlumberger family members have a passion for art (page 8), others enjoy more adrenaline-packed pursuits. Marcel Schlumberger's great-grandson Harold Primat, who recently ended a 17-year career as an endurance-racing driver, now hosts raceway experiences in Virginia

28

Changing Fortunes

Zhou Hongyi, the 48-year-old chairman of 360 Security Technology Inc., an internet security company with about 500 million users in China, has watched his net worth rise and fall this year as he's moved his company from one stock exchange to another

Editor, Bloomberg Markets
Christine Harper

Special Reports Editor
Siobhan Wagner

Features Editor
Stryker McGuire

<GO> Editor
Jon Asmundsson

Art Directors
Lee H. Wilson, Josef Reyes

Graphics Editor
Mark Glassman

Bloomberg Markets utilizes the resources of Bloomberg News, Bloomberg Television, Bloomberg Businessweek, Bloomberg Intelligence, and Bloomberg LP.

Editor-in-Chief
John Micklethwait

Deputy Editor-in-Chief
Reto Gregori

Creative Director
Christopher Nosenzo

Photo Director
Donna Cohen

Managing Editor
Kristin Powers

Copy Chief
Lourdes Valeriano

Copy Editors
Barry Maggs, Brennen Wysong

Production Associate
Loly Chan

Head of U.S. Financial Sales
Michael Craig /
646 324-4751

Head of EMEA Sales
Viktoria Degtar / 44 20 3525-4026

Head of APAC Sales
Mike Jackson / 65 6499-2674

Production/Operations
Steven DiSalvo, Debra Foley,
Dan Leach, Carol Nelson,
Bernie Schraml

Global Chief Commercial Officer
Andrew Benett / 212 617-8225

Global Chief Revenue Officer
Keith A. Grossman / 212 617-3192
comments@bloombermarkets.com



IN TIMES OF DISASTER, A SPEEDY RESPONSE IS CRITICAL.

“When disaster strikes, I am comforted in knowing that the charitable funds in my JCF account can quickly be deployed to disaster relief efforts where they are needed most.”

—General Counsel, New York SFO

A JCF charitable giving fund helps you make immediate grants to charities aiding those in need.

High Net Worth families are increasingly using a Donor Advised Fund alongside (or in lieu of) a traditional family foundation to manage their charitable giving with ease, flexibility, and confidentiality. Let Jewish Communal Fund (JCF) make your charitable giving efficient, and free of the administrative burden of the private foundation. A JCF donor advised fund can also help you act quickly in times of disaster, and gives you the option to make grants anonymously.

**JEWISH
COMMUNAL
FUND** 
Your **personal connection**
to charitable giving®

For information, please contact Ellen Israelson at **212.752.8277** or **ellen@jcfny.org**, or visit **jcfny.org**.

After Amassing \$22 Trillion, Asia's Rich Face Succession Pains

By KLAUS WILLE

ILLUSTRATION BY MATT CHASE

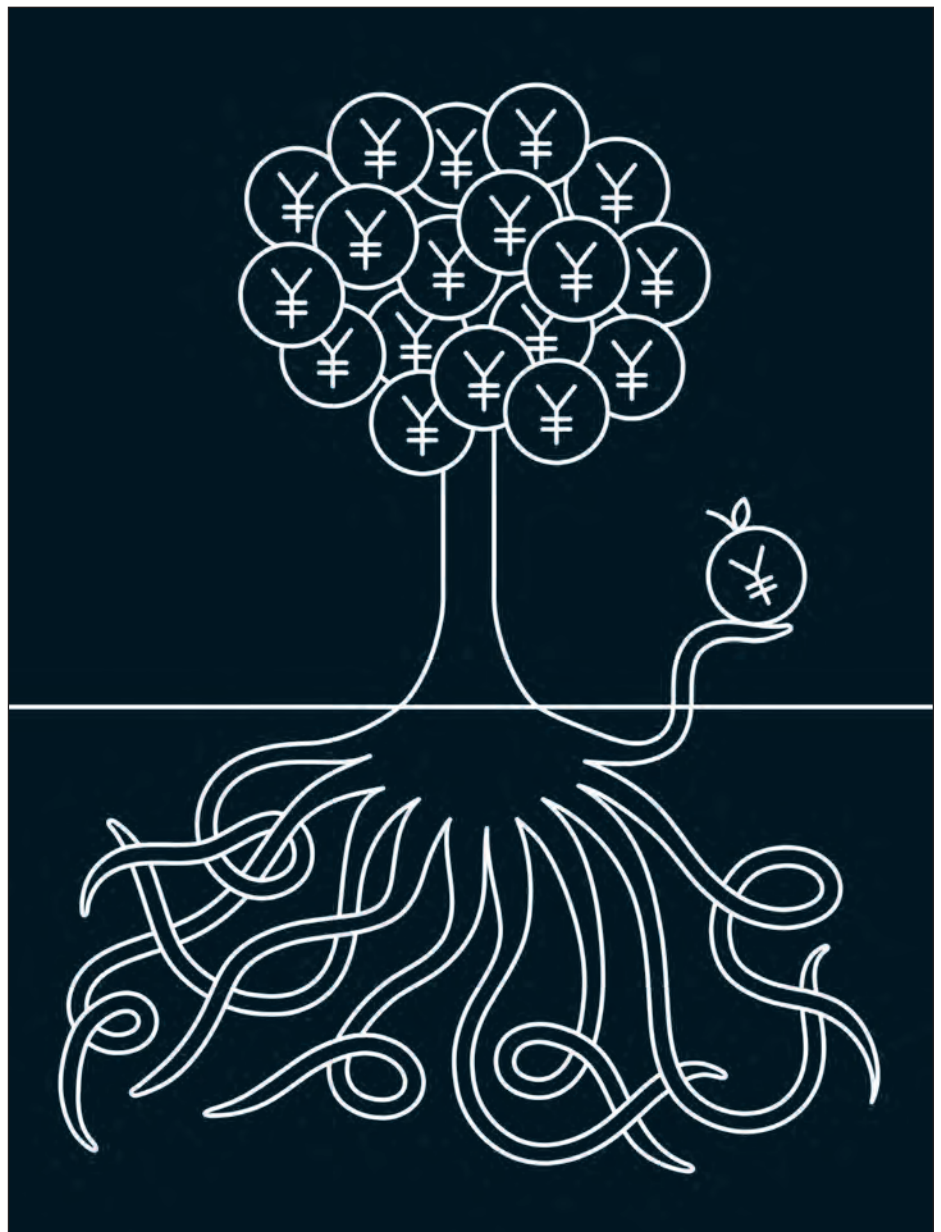
HAVING A GRANDFATHER with four wives can make for some complex succession issues, as Cheong Wing Kiat found when running his family's Singapore-based drug company a few years ago.

The patriarch and his three co-founders had more than 20 heirs, all with competing agendas. Buying out about half of them helped, but it involved tough negotiations and family fights. Now the number of shareholders is climbing again and Cheong, who is near retirement age, is worried for the next generation.

"Within the next 10 years, we will have to do another pruning," he said. "But it will not be my task, and I am happy about that."

After building vast empires, Asia's moneyed are, sometimes for the first time, confronting uncomfortable questions as they prepare for complex intergenerational transfers of both wealth and business. A report released in September by UBS Group AG and Campden Wealth predicts a coming "seismic shift" as inheritances are handed down to younger generations globally. But the need for succession planning is particularly pressing in Asia-Pacific, where only 39 percent of family offices have a strategy in place, the lowest proportion of any region, the report found.

"The main factor why succession planning often has been overlooked in Asia is that the money is quite recent, often first- or second-generation," says Karim Mrani-Alaoui, chief investment officer at a Singapore-based family ▶



office. “Pretty often, the person who created the wealth is still alive. So many families are just not used to setting up a proper succession plan.”

Total wealth in Asia among high-net-worth individuals has reached about \$22 trillion and is increasing at the world’s fastest pace, according to consultancy Capgemini. Yet the region has a bigger problem around succession partly because there’s often no clear demarcation between wealth and business, says Benoy Philip, of Singapore-based consulting firm Taproot Family Offices Pte. Many Asian empires continue to be managed and owned by extended family, which means questions around company succession and estate planning are often intertwined.

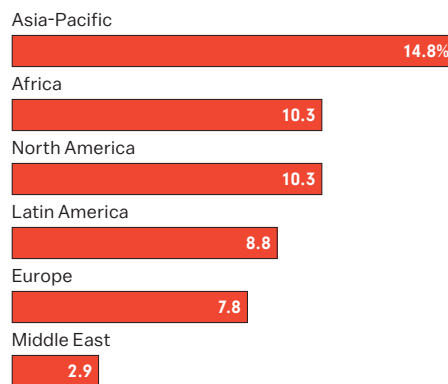
In recent years, the region has seen some high-profile fissures among wealthy families amid disagreements over control. Mukesh Ambani, now Asia’s richest man, and his brother, Anil, split the Reliance group in 2005 following an ownership fight after their father died without leaving a will. In Hong Kong, a family feud over control of the city’s biggest developer, Sun Hung Kai Properties Ltd., resulted in the 2008 ouster of Walter Kwok by his relatives.

“Things start falling apart if these issues are not taken into consideration,” says Goh Siow Hui, ASEAN family business leader and tax services partner at Ernst & Young Solutions LLP. “Conflicts arise, and you see undesirable results in the newspapers, where family members bring each other to court.”

In Europe and the U.S., dynasties

HOW MUCH RICHER DID THE RICH GET?

Change in the value of wealth held by high-net-worth individuals* from 2016 to 2017



*People with more than \$1 million in wealth, excluding personal real estate. Source: Capgemini

such as the Rothschilds and financiers such as J.P. Morgan started their family offices as far back as the 19th century with trusts, wills, and clear rules of succession. In Asia, a reluctance to talk about death can make this kind of preparation harder.

“The subject is more easily discussed in Europe,” says Noor Quek, the Singapore-based founder of NQ International Pte, which advises family offices. “Culturally, it’s a delicate subject here.” That’s partly because in Western countries, wealth doesn’t automatically go to family members and could be bequeathed to universities, foundations, or philanthropic causes.

“I know a recent example of a very wealthy 90-year-old Indonesian owning a whole business empire,” Philip says. “His

three children are already in their 60s, working for the family business and getting their salaries. But they don’t dare talk about succession.”

Cheong’s experiences at Wen Ken Group—the Singapore-based traditional medicine company founded by his grandfather and three others in 1937—offers a window into some of the challenges Asia’s families face around inheritance and succession.

Given Cheong’s grandfather’s large family and many business partners, bringing down the number of shareholders at Wen Ken wasn’t easy. “We had many, many rounds of meetings and a lot of arguments,” says Cheong, who ran the company from 1995 to 2011 as business leader. “There were disagreements about the valuation and a lot of suspicions.”

He even asked his father, who wanted to keep his holdings, to sell a small part of his shares to prove the pricing for the buyout was fair. Managing the firm became easier after that process. Other family members are now running the company, and Cheong no longer holds an executive role, though he is still a shareholder.

The latest UBS/Campden Wealth Global Family Office Report found that 32 percent of Asian family offices had succession plans under development. About 21 percent said they had no plan, and 7 percent said they didn’t know.

“It could become a serious threat to Asia’s wealthy if no proper mechanism is put in place for inheritance and succession planning,” says Philip. “If no action is taken, it could become a time bomb.” ●

Baby boomers will be passing down a record fortune to a generation that already includes many suddenly rich tech entrepreneurs. The financial-services industry is busy learning what it takes to win these younger clients.

Compiled by SIOBHAN WAGNER

What do wealth managers know about millennials?

Bob Smith

CHIEF INVESTMENT OFFICER AT SAGE ADVISORY SERVICES LTD.

“They are social media junkies.”

▲ Smith said the financial-services industry is still “thinking as boomers but trying to deliver to millennials.” In a Sept. 14 interview with Bloomberg Radio, he suggested offering investment insight through platforms

such as YouTube and Instagram to capture younger clients who in many cases don’t own a TV. “They value learning, and if that is the medium to receive that, we in the financial-services industry need to do that,” he said.

Wesley Karger

CO-FOUNDER AND MANAGING PARTNER AT BOSTON-BASED MULTIFAMILY OFFICE TWIN FOCUS CAPITAL PARTNERS LLC

“You never want to overwhelm that next generation.”

▲ Karger said one way to keep the next generation engaged in preserving their family’s wealth is introducing it to them over time. “There are a number of tools such as philanthropy or involving them in co-investment vehicles,” he

said in an interview with Bloomberg News on Oct. 23. Karger said millennials would also benefit from experience as a member of the board on a family LLC “where they have a voice in how asset allocations are made.”

Fabrizio Campelli

GLOBAL HEAD OF DEUTSCHE BANK WEALTH MANAGEMENT

“In the wealth-management segment, less than 10 percent of millennials will say, ‘I’m happy with a digital-only channel.’”

▲ Millennials are more tech-focused than previous generations, but they still value advice from a wealth manager, Campelli said in an interview at the Bloomberg Invest Summit in London on Oct. 10. Technology has a role to play in providing transparency on pricing and performance of investment products, as well as networking, which are all features millennials expect. “Millennials are fundamentally network people and they favor tools that give them access to the opinion of peers,” he said.

Joe Stadler

HEAD OF ULTRAHIGH-NET-WORTH CLIENTS AT UBS GROUP AG

“It’s not true that millennials are all inheriting now: The next generation is getting money at a much older age.”

▲ UBS, which caters to many of the world’s wealthiest “old money” families, is finding that its clients are living longer. This is why Stadler thinks the handover of wealth from baby boomers to millennials won’t happen as quickly as many suspect, he said in an interview with Bloomberg News on Aug. 31. At the same time, Stadler said, millennials want to show they can make it on their own, and not “by stepping in their mother or father’s shoes.”

Joanna Rotenberg

HEAD OF WEALTH MANAGEMENT
AT BANK OF MONTREAL

“We are seeing a rise on the technology entrepreneur side, and I would say it’s a fascinating group.”

▲ Canada’s growing technology industry, bolstered by tech-friendly government policies on education and immigration, is generating newfound riches. And this emerging wealth hasn’t gone unnoticed. Money managers are cultivating younger

entrepreneurs often ill-equipped to deal with sudden riches, Rotenberg said in an interview with Bloomberg News on Aug. 2. “Our opportunity, frankly, is to help people who have in some ways popped their heads up into large financial success,” she said.

Todd Millay

MANAGING DIRECTOR OF CHOATE INVESTMENT ADVISORS, THE WEALTH MANAGEMENT ARM OF BOSTON LAW FIRM CHOATE HALL & STEWART

“They want to know what they own.”

▲ Millay says his firm’s millennial clients are more focused on sustainable and socially responsible investing than older generations and seek greater transparency. “They want to know how climate change affects the way we make investment decisions,” he said in an interview with Bloomberg

News on Oct. 25. Millay said his firm agrees that sustainability is a serious concern. “We think climate change is an investment theme,” he said, comparing its weight to other trends affecting investments—from the rise of China as an economic superpower to record-low interest rates.

With Doug Alexander, Jason Kelly, Carol Massar, Devon Pendleton, and Patrick Winters

<GO>

INSIDE
THE TERMINAL



Oil Paintings

AN OILFIELD SERVICES FORTUNE may be what connects the Schlumberger heirs, but their passions and businesses have ranged far beyond petroleum. Brothers Conrad and Marcel Schlumberger founded what now is the world's biggest technology provider to the oil industry in 1926. Their children and later generations have pursued interests such as race cars (page 24) and art. Here's a look inside the Menil Collection, opened by Conrad's late daughter Dominique in Houston in 1987.

The museum houses works amassed by Dominique and her husband, John de Menil, from the 1940s to 1990s. Spread over a 30-acre campus, it's best known for its modern European paintings and sculptures spanning surrealism to pop and minimalism. In the photo at far left, Alexander Calder's mobile *The Y* is suspended above Fernand Léger's *Study for The Grand Parade* (left) and Joan Miró's *Painting (The Magic of Color)* (right).

Dominique and John, born in 1908 and 1904 in Paris, respectively, moved to Houston, home to the U.S. headquarters of Schlumberger Ltd., during World War II. The art-loving couple felt the cultural landscape in Texas was barren compared with Paris. "They said: 'Let's do something about it,'" William Middleton, author of *Double Vision: The Unerring Eye of Art World Avatars Dominique and John de Menil*, said during a Nov. 5 lecture at Christie's in New York.

Over time the couple became supporters of pop artist Andy Warhol and abstract expressionist Mark Rothko, among others. In 1971, two years before John's death, they founded the Rothko Chapel, a meditative, nondenominational space in Houston that displays commissioned paintings by the artist.

To keep up with the latest in art and luxury, run **{NI PURSUITS <GO>}** on the terminal. —*Katya Kazakina*



Art isn't labeled with information, letting it speak for itself



Architect Renzo Piano designed the main building (above)



Shed Some Light on Private Equity Deals With Company Screening

By KEVIN KOUAM

Run `{PSCR <GO>}` to load Bloomberg's private company database.

Narrow your search to Apparel, Footwear & Accessory Design by clicking on the folder next to the Sector/ Industry's amber box.

Company Name	Industry	Revenue (USD)	Employees	State	Website
Chanel Ltd	Apparel, Footwear & Accessori...	9.6B	20,197		www.chanel.com
Levi Strauss & Co	Apparel, Footwear & Accessori...	4.9B	13,800	CA	www.levistrauss.com
Bestseller AG	Apparel, Footwear & Accessori...	3.3B	15,582		www.bestseller.com
Chanel SAS/Neuilly Sur Seine	Apparel, Footwear & Accessori...	3.1B	--		www.chanel.com
Inditex Group Co Ltd	Apparel, Footwear & Accessori...	3.0B	--		
Hongdou Group Co Ltd	Apparel, Footwear & Accessori...	2.5B	--		www.hongdou.com
Clarks Ltd	Apparel, Footwear & Accessori...	2.2B	--		www.clarks.co.uk
Zara Espana SA	Apparel, Footwear & Accessori...	1.9B	--		www.zara.com
Giorgio Armani SpA	Apparel, Footwear & Accessori...	1.7B	--		www.giorgioarmani...
Missouri TopCo Ltd	Apparel, Footwear & Accessori...	1.4B	13,579		
Tempe SA	Apparel, Footwear & Accessori...	1.4B	--		www.tempe.es
Boardriders Inc	Apparel, Footwear & Accessori...	1.3B	5,700	CA	www.quiksilver.com
Chanel Coordination SAS	Apparel, Footwear & Accessori...	1.3B	--		
Benetton SRL	Apparel, Footwear & Accessori...	1.3B	--		www.benetton.com
Antonio Puig SA	Apparel, Footwear & Accessori...	1.2B	--		www.puig.com

THE RECENT ACQUISITION OF ITALIAN luxury fashion house Gianni Versace SpA by Michael Kors Holdings Ltd. for \$2.2 billion leaves a shrinking number of private global fashion brands still available to acquire or invest in. So what's left, and how do you know if they're a good bet? Data on private companies are scattered and difficult to find, so you just have to know where to look.

Using Bloomberg's Private Company Screening and data analysis tools will help you find key financial information on privately held global luxury brands and compare them. To start, run `{PSCR <GO>}` to load Bloomberg's private company database. Click the small folder icon to the right of Sector/Industry. Open the Consumer Discretionary section by clicking the plus icon next to it. Then open up the Apparel & Textile Products subset. Choose Apparel, Footwear & Accessory Design so it appears in the right-hand column. Click Update. For this example, let's focus on developed markets and Asia. Click the small folder icon to the right of Location. Select North America, Western Europe, Asia Pacific (Developed), Asia Pacific (Emerging), and Eastern Europe. They

should appear in the Selected box on the right. Hit Update.

To filter the results by revenue, simply click on the Revenue (USD) column. You can also limit your screening to companies generating at least \$1 billion in revenue annually. To do so, enter "1,000" in the amber box right next to Revenue (USD M) in the Screening Criteria section.

French luxury brand Chanel Ltd., famous for its iconic two-piece suit and No. 5 perfume, tops that list of companies with \$9.6 billion in revenue. To find more financial details about Chanel, type "chanel" on the command line and choose 4471447Z LN Equity Chanel Ltd from autocomplete. Choose FA - Financial Analysis from the menu that appears.

Chanel increased its revenue by 11.5 percent in 2017, with a net income before extraordinary items of \$1.8 billion. The company generated \$2 billion from its operating activities, bringing its cash position to more than \$2.2 billion at the end of the period. These figures are taken from Chanel's financial statements and assembled by Bloomberg's data analysts.

Type "channel" into the command line and choose 4471447Z LN Equity Chanel Ltd from autocomplete.

in Millions of USD	Current LTM	2017 Y	2016 Y	2015 Y	2014 Y	2013 Y	2012 Y	2011 Y	2009 Y	2008 Y	2007 Y
	12/31/2017	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2009	12/31/2008	12/31/2007
Market Capitalization											
Cash & Equivalents	2,205.2	2,205.2	463.0	42.0	35.8	54.7	85.6	144.4	75.1	50.1	60.3
Preferred & Other	4.3	4.3	2.4	-	-	-	-	-	-	-	-
Total Debt	1,987.4	1,987.4	1,834.3	46.4	50.6	55.5	56.2	55.2	-	-	-
Enterprise Value											
Revenue	9,823.4	8,823.4	8,838.3	7,110	756.8	689.8	684.4	543.9	428.8	420.0	400.2
Growth % YOY	11.5	11.5	13.3	1.3	4.9	15.4	12.4	-	-	-	-
Gross Profit	7,503.6	7,503.6	6,666.5								
Margin %	76.0	76.0	77.2								
EBITDA	3,003.3	3,003.3	2,577.8								
Margin %	31.2	31.2	29.9								
Net Income Before XI	1,791.7	1,791.7	1,811.3								
Margin %	18.2	18.2	20.5								
Adjusted EPS	2,051.9	2,051.9	1,922.1								
Growth % YOY	301.6	301.6	318.9								
	1,670.3	1,670.3	1,580.2								

Net income before extraordinary items was about \$1.8 billion at the end of 2017.

Chanel increased its revenue 11.5 percent in 2017.

The Private Screening function can also be used for comparison with other privately held companies in the same industry through Bloomberg APIs. From your PSCR screen, click View all search results at the top of the table, then choose the Export to Excel button in the red toolbar. In the Excel sheet, create three columns next to Revenue by right-clicking the column header to the right and choosing Insert. On the line next to Revenue, type "net income", "net debt", and "accounts date" on each row.

In the second cell of the first additional column, type this formula: "BDP(L2& " Equity", "NET_INCOME", "EQY_FUND_CRNCY = USD)". L2 should be the company's ticker. For the next column, repeat the same formula, but with ""NET_DEBT"" as the second part instead of ""NET_INCOME"". For the last added column, replace ""NET_INCOME"" with ""FUNDAMENTAL_PUBLIC_DATE"" and delete ", "EQY_FUND_CRNCY = USD:". Note that the financial information will be in dollars. The date column, which is automatically populated, refers to when the financial information was published. Populate the rest of each column by double-clicking

in the bottom right of the top cell. Some will return N/A if there is no information available.

It's worth noting that a negative net debt means more cash than debt for the company. Giorgio Armani SpA and Dolce & Gabbana Srl, like Chanel, have generated positive net income and have positive cash positions.

Bloomberg is constantly increasing its private company coverage. We're actively monitoring new debt issuance and adding fundamentals data for the issuers. This year we added fundamental data for 1,500 companies globally. For Brazil, Italy, and Poland, we have a direct feed of information on a number of private companies from local data providers. By the end of the year we are planning to expand coverage with a similar direct feed of information for companies in Colombia, the Czech Republic, India, and Slovakia. For more on private companies coverage, hit the Help key twice and ask for a private company specialist. ● — *With Ivana Grcic*

Kouam is a company financials industry expert at Bloomberg in London.

How to Track Flows Into the Most Smoking Investment Trends

By OWEN MINDE

Run **{HMMJ CN Equity EFMF <GO>}** to see inflows into the Horizons Marijuana Life Sciences ETF.



EVER WONDERED HOW TO QUICKLY spot the investment trends that are attracting the most investor capital? Run **{FFLO <GO>}** to track money flowing into and out of exchange-traded funds as reported by the ETF issuers after the close each day. Within Settings, select Sector under where it says "Group Equity funds by." Hit Close. In the amber drop-down box next to View, select Asset Class. Select the Historical tab and click Equity.

To rank these flows year to date, click the top of the YTD column to see that Not Declared, Technology, and Health Care sectors have, as of Nov. 29, attracted the greatest net flow since the beginning of the year.

Click on Thematic to drill down into the underlying ETFs classified as thematic in Bloomberg's **{ETF <GO>}** function. These funds have, from the start of the year until Nov. 29, attracted more

than \$7 billion. Among the top 10 funds on the list is HMMJ, the Horizons Marijuana Life Sciences ETF, which was incorporated in Canada and tracks the North American Medical Marijuana Index. Pot stocks popped earlier in the year after Canada legalized marijuana, but they have since come down. Click the Key Metrics tab and scroll down to see HMMJ's total fund assets and year-to-date performance.

Visualize the estimated money flow over time into this specific ETF by running **{HMMJ CN Equity EFMF <GO>}**. The ETF attracted a surge of inflows at the start of the year, then attracted some additional capital until mid-October, when there was outflow as investors exited the trade with profits.

To analyze this ETF in more detail, run **{PORT /P <GO>}**. Under the Performance tab, filter by Tot Rtn Ytd to see the top

Tally up the mergers and acquisitions in the cannabis and marijuana industry using **{MA <GO>}**.



performer this year. TerrAscend Corp. (TER CN Equity), a Canadian producer of medical and wellness products featuring cannabis, was the leading stock on Nov. 29.

For a longer-term, less-speculative capital flow view of the marijuana industry, run **{EQS <GO>}** to build an equity screen. Click on Trading Status: Active to add Private Company into the universe and then click Update. Next, in the amber box under Add Criteria, enter "company description" and click on it. Within the Contains box type "marijuana" and "cannabis" and select Any Keywords. Hit Update to display results of companies with marijuana or cannabis in their company descriptions. Under Actions, select Save As and give the search a specified name such as "weed." Then run **{MA <GO>}** and click on the Advanced Search button on the red toolbar. Click into Date Range and select

Year-to-Date from the drop-down box and check Apply to the Announced Date. Click Update. Under Company Universe, choose Company List and adjust the Source to Equity Screen and then select "weed" or your saved equity screen name. Click Update. Finally, hit Results at the bottom right to display year-to-date M&A activity in the cannabis and marijuana industry. As of Nov. 29, deals worth almost \$9 billion have been completed, including the largest: an investment of \$3.6 billion by Constellation Brands Inc. in Canopy Growth Corp.

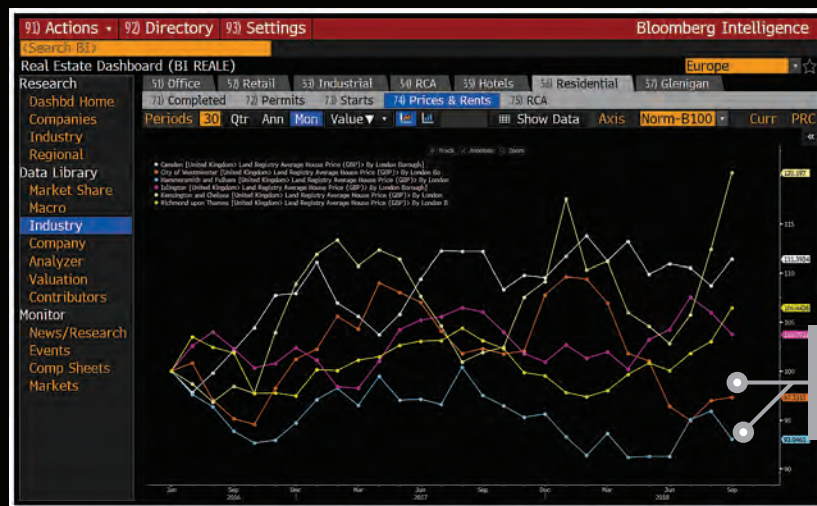
Click the Time Series tab and select Annually to see the explosion of investment in this sector this year in both number of deals and dollar deal volume. ●

Minde is an FX and economics market specialist at Bloomberg in New York.

Don't Write Off the London Property Market Just Yet

By JAMES BATTY

Run `{BI REALE <GO>}` to find data on house prices in central London boroughs.



INVESTORS HAVE HAD PLENTY OF REASONS to be bearish on London's property market since the Brexit vote. Yet real estate data show that prices in prime central London boroughs have held relatively steady over the past two years.

What's been happening? Let's start with Brexit and taxes.

The vote to leave the European Union in June 2016 raised the question of whether London will remain Europe's capital of finance—and therefore an attractive destination for property investors.

In addition, taxes on property are rising for many wealthy investors. The latest development is a potential stamp-duty surcharge of 1 percent for nonresidents buying residential property in England and Northern Ireland. (Stamp duty is the upfront tax that property buyers must pay upon completion of a purchase.) The proposal, now under consultation, was announced in Chancellor of the Exchequer Philip Hammond's budget on Oct. 29.

That would come on top of earlier stamp-duty changes, including a 3 percent surcharge on properties that aren't the buyer's primary residence and a reduction in the expenses eligible to offset taxes for

buy-to-rent investors. Nonresident foreign buyers must also now pay income and capital gains taxes on U.K. properties, after a loophole that let them keep all rental and sale profits was eliminated.

The government is also cracking down on money laundering via property in a way that could give pause to legitimate investors who value privacy. "Unexplained wealth orders," incorporated into U.K. law in January of this year, allow courts to seize a property if the owner can't prove the source of the funds to buy it was legal. A further deterrent is the doubling of the minimum investment level required to obtain a U.K. investor visa to £2 million (\$2.6 million).

Yet prices have not collapsed. To find this data on the terminal, start at the landing page for Bloomberg Intelligence's property data by running `{BI REALE <GO>}`. In the navigation sidebar on the left side of the screen, click on Industry under Data Library. Then choose the gray Residential tab and Prices & Rents subtab. Change the periodicity to Months and enter 30 to the right of View. Scroll down and open up the Land Registry Average House Price (GBP) section by London borough. Click on the line graph next to Camden. In the

RICS UK Real Estate Market Survey Data measures sentiment among surveyors.



chart that appears, choose Select Additional Data at the bottom right corner of the screen. Tick the boxes next to City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, and Richmond Upon Thames, to represent some of the most expensive boroughs. Change the drop-down menu in the sidebar to Normalized – Base 100. Only two of London’s priciest boroughs have fallen in value since the Brexit vote. The rest have increased.

That’s not to say the residential property market is coping well with the uncertainty and tax changes. Click Industry again in the sidebar to return to the data table. Scroll down to the RICS UK Real Estate Market Survey Data. This is a sentiment measure among surveyors at the Royal Institute of Chartered Surveyors. Click on Expected Chg in Price Next 12 Months by Region to expand the tree, and then click on the chart icon next to London. Change the Periods to 60 (Monthly) to see that sentiment among this group recently reached the lowest level since 2013. The number of properties on estate agents’ books has been rising, indicating that it is taking longer to sell. Click on Industry in the sidebar again. Then choose the graph icon

next to London SA in the Avg Stocks/Surveyor on Books Prsntly by Region (Net Balance) section to see that the number has been trending higher since 2015. For research on the sector, click on Regional in the Research section of the sidebar and choose the U.K. Residential tab.

For foreign buyers, a drop in the value of the pound against the dollar, euro, and yuan since the vote may have cushioned the impact of Brexit and the government’s tax changes. A smooth Brexit scenario may bolster confidence, say analysts from broker Jones Lang LaSalle Inc. “The greater certainty will immediately boost demand from domestic and international buyers—the latter particularly keen to benefit from the short-term currency advantage,” the company said in a research report published in October.

Barring a chaotic exit from the EU, foreign investors’ love affair with the central London residential market may not be over yet. ●

Batty is a Functions for the Market editor at Bloomberg News in London. With Iwona Hovenko, Sue Munden, Jonathan Tyce, Jack Sidders, and Niraj Shah.

‘The Market Is Mispricing Risks’ in the U.K.

By BEN STUPPLES

PHOTOGRAPH BY ANA CUBA

HARINDER HUNDLE LIKES TO BE NEAR THE EYE OF THE STORM. Brexit has spurred financial giants such as JPMorgan Chase & Co. and Goldman Sachs Group Inc. to plan moving some U.K. jobs abroad, but the former investment banker is staying put in London. Hundle, 42, who goes by “Hari,” recently became managing partner at the London branch of Twin Focus Capital Partners LLC, a Boston-based multifamily office. The unit, nestled among luxury shops in Mayfair, opened its doors in October, a month after Hundle joined TwinFocus. He’d previously spent two years overseeing about £1 billion (\$1.3 billion) at a single-family office for the principals of a U.K. insurance company. Britain’s looming departure from the European Union has thrown up a number of risks, ranging from a no-deal, crash-out Brexit to the possibility of an election ushering in a leftist government. In an interview with *Bloomberg Markets* on Nov. 8, Hundle outlines how he thinks the super rich can prepare for whatever happens—and even “take advantage when the time is right.” ▶



BEN STUPPLES: Let's start at the beginning. How did you end up here in this Mayfair office?

HARI HUNDLE: I've been in the business for almost 20 years. I studied economics at university, and I had a sister 12 years older than me who was in finance. She lived through the City of London's Big Bang in the 1980s. I saw that while I was young and impressionable, and I had a natural talent around economics. I always wanted to be a banker in some form. I started at JPMorgan's graduate program in 2000 or 2001. While I was there, I moved into their private banking business, more by coincidence than anything. As soon as that happened, I thought, "This is it. This is much more me." Culturally, it worked. I met some great people there, and I became a portfolio manager.

After seven years, I thought, "Do I spend my career here? Or do I do something more entrepreneurial?" I ended up joining Credit Suisse in 2008, where I built a book from scratch. Clearly these were interesting times, and it was a great learning space for me. I helped launch a hedge fund, a long-short fund focused on emerging markets, and it was all centered around this set of ultrahigh-net-worth clients. One of the clients we have today was a seed investor in the fund, which was a great steppingstone.

But after Credit Suisse, I wanted to do something more entrepreneurial, and I moved to a single-family office in early 2016. Over the past four or five months, I discussed with my principal how we can do this form of wealth management really, really well, and we decided either to invest huge amounts or go into a multifamily office structure. With TwinFocus, there's an institutional quality, bigger resources, and the infrastructure as well to deliver a total balance-sheet solution to our clients. As I simply didn't have the resources, I wasn't able to give that before.

BS: What are your plans for TwinFocus's London branch?

HH: Day 1, we're starting with two principal clients, and then we have another two or three of them in the pipeline.

TwinFocus has more than 30 clients overall. We don't want to grow aggressively. We want to grow—brick by brick, as they say—and get it right. The key is for our first two clients to feel they're getting everything they were before in a single-family office, but it's now enhanced. I've seen a lot of family offices that don't provide a top level of service, and they almost try to become like a private bank. That's where some of them have lost their way. We try to make the client feel like this is their own family office. That approach includes a personalized email address, weekly updates on their portfolios, written summaries of everything that's happening in the market, and speaking to clients several times in the same day if it's needed—and they like that sort of communication channel.

This is a long-term business, and to have a meaningful relationship takes time. I'd like to be in a position where one day, maybe in about five years, our London branch has about \$5.5 billion of its own assets, similar to how much TwinFocus has in total at the moment. I don't think that we'll ever need to have more than 25 to 30 clients here in London.

BS: Will there be opportunities for your clients to invest together?

HH: Totally. Over time, we could become a quasi-private equity business. We could do proprietary deals that clients bring to us or we bring to our clients. We'll offer something different to a traditional p-e fund. People [raising money for their businesses] want long-term capital from ultrahigh-net-worth individuals as they think mega-long term. Within this community [of wealthy people], a lot had their own businesses, so they're not focused on the same metrics as a private equity fund. There's an opportunity for us, and alternative investments are already a big part of what TwinFocus does, so we can definitely do that.

BS: What's your investment strategy for the U.K. right now?

HH: One needs to be cautious. We're underinvested in the U.K. because of Brexit and the political risk out there of a

“The probability of Brexit negotiations going wrong and a Labour-led government, which would be the most left-wing government in Europe today, is quite scary”

left-wing Labour government led by Jeremy Corbyn. Over the long term, the U.K. is fine; short term, there are some real challenges out there. We want to take advantage of volatility when it presents itself, and we're comfortable coming in, but I don't think that time is right now.

BS: What worries you more: Brexit or a Labour government?

HH: Brexit and Jeremy Corbyn are completely intertwined issues. We have very senior members of the Labour Party who are very left-wing, wanting the governing Conservative Party to bring a bad deal to the U.K., as that's their inroad to power. The probability of Brexit negotiations going wrong and a Labour-led government, which would be the most left-wing government in Europe today, is quite scary. I don't think people are giving this matter enough thought. Generally, the market is mispricing risks here. Brexit has its own risks, and clearly a hard Brexit would be negative. But the political consequences of Corbyn are much greater over the short term and medium term. Anyone who has property wealth should be concerned, so this matter just doesn't just affect the ultrahigh-net-worth community. People who've owned a house in the U.K. for the last 30 years are sitting on decent equity value, and I think Corbyn is probably going to come after it if he reaches political power.

BS: How can you protect your clients against these risks?

HH: The ultrahigh-net-worth community has the ability to be more flexible with its money. Clearly we have that option here at TwinFocus. Everything we're doing today around these risks is ensuring that assets sit offshore in terms of their custody. Offshore transparency is good, and the U.K. has benefited a lot from offshore planning in a way that I don't necessarily agree with. In this scenario, I mean using financial hubs like Luxembourg and Switzerland, where you can have the custodial relationships of assets offshore in a well-regulated, transparent environment. If you do that, the U.K. government can't come after your assets overnight and tax you in some draconian way.

BS: Why open a London office amid all the turmoil in the U.K.?

HH: If there's a hard Brexit, London will fight. You could get a situation where London decides what it does with its tax revenue. While you don't know how far that idea goes, I will say this: London's not going to go away. We can advise from here. We have some of the world's best asset managers. We have so much culture and so many global businesses in this city. Luxembourg can't replace London. Switzerland can't either. Instead, they can provide a custodial infrastructure. There will be some damage to London with a hard Brexit, but the nature of global cities is they have ebbs and flows.

BS: You've already touched on the benefits of working for a multifamily office. Are there other positives to highlight?

HH: Having a little bit more scale in a multifamily office allows you to invest more in staff and get the best people. That's something single-family offices can't always do, and some people don't take the career risk of working for one family. The unique proposition of a good multifamily office is a client-side service with an institutional feel that is more entrepreneurial than private banks.

BS: Do you miss being in a single-family office at all?

HH: It may be different for other people, but I don't. I have much more support than I ever did, and sometimes there's an inherent conflict of interest if you're the employee of a superwealthy family and you have to give them some tough advice. The chief investment officer of a single-family office may back off from certain conversations, while we're much more independent and only ever acting in our clients' interest. We can avoid creating the "culture of yes" that exists around some successful people. The main challenge for us will be managing time and making sure we have the resources for each client as we build our business. That's why we don't want a megagrowth plan in place. ●

Stupples is a wealth reporter at Bloomberg News in London.

*A London-
Based Money
Manager
Rides West
To Find
Rich Clients*

By MICHAEL McDONALD
PHOTOGRAPH BY MATHEW SCOTT





WHEN STAN MIRANDA relocated from London last year, the money manager quickly realized that joining a club of aging, Lycra-wearing finance and technology executives who bike the mountains around Silicon Valley on Saturday mornings would be great for networking.

During an interview at the Rosewood Sand Hill hotel bar in Menlo Park, Calif., Miranda recalls his first ride with the self-named Over the Hill bike group. “There must have been \$5 billion of business there. The West Coast is ripe.”

Miranda co-founded Partners Capital in the U.K. in 2001 and developed a playbook that he’s since exported to the U.S. and Asia. The idea is to build a network by managing money for rich individuals, then use those connections to win business from the elite endowments and foundations supported by those wealthy people. Partners, whose backers include British investment banker Lord Jacob Rothschild, has amassed \$24 billion of capital, half of it as an outsourced investment office, or OCIO, for nonprofits.

The high-net-worth scene in Silicon Valley is totally different from those in London and New York. Over the past two decades the tech hub has turned thousands of young engineers and computer scientists into millionaires and billionaires, creating a potential client base for the wealth management industry of suddenly rich entrepreneurs. As the number of billionaires in the Bay Area has surged, so too has the population of family offices and multifamily offices in the area, such as Iconiq Capital, which manages money for top executives at

Facebook Inc., including Mark Zuckerberg and Sheryl Sandberg.

Partners, however, isn’t focused on Silicon Valley’s young elite. It’s targeting those who’ve helped finance the tech boom—venture capitalists and private equity executives who also sit on the boards of foundations and endowments. The firm plans to open an office in San Francisco next year, spurred by the expansion of its West Coast business, which now accounts for about \$2 billion of its assets in the U.S. and includes clients such as the Museum of Contemporary Art in Los Angeles and the Seaver Institute.

Partners’ strategy for turning single clients into institutional-size opportunities isn’t unprecedented in asset management. It shows how lines blur between family offices and OCIOs, which manage the entire portfolios of institutions. San Francisco-based Hall Capital Partners opened in 1994 to oversee the fortunes of those such as private equity innovator Warren Hellman, but morphed into a national firm with more than \$30 billion in assets and clients such as Bates College in Maine.

Competition is fierce for those making the leap to outsourcing. Barriers to entry are almost nonexistent. The industry is booming, with OCIO assets in the U.S. expected to grow 40 percent by 2021, to \$1.7 trillion, according to consulting firm Deloitte LP. The number of companies vying for business include bulge-bracket banks like Goldman Sachs Group Inc., consultants such as Mercer, and startups.

“It is still a bit of a Wild West,” Anna Dunn Tabke, a

While endowments and foundations are still a bit of a free-for-all, the more elite clients tend to hire what are usually described as boutique firms

principal at Alpha Capital Management, an outsourcing consulting firm in Atlanta, says of the OCIO business. “There is no industry standard yet. You just have to build a model and see if anyone will pay for it.”

Big banks and consultants dominate outsourcing for pensions because they have the scale to oversee huge portfolios. While endowments and foundations are still a bit of a free-for-all, the more elite clients tend to hire what are usually described as boutique firms, which is where Partners competes.

Outsourcers vying for the elites include Strategic Investment Group, which last year won a bid to manage Barnard College’s \$327 million endowment, and Perella Weinberg Partners, which was tapped by the New York Botanical Garden this year to oversee its \$320 million fund.

Partners’ assets have almost doubled in about five years. New clients include the Metropolitan Opera in New York, which hired the firm last year to oversee \$465 million.

Partners was founded in London by Miranda and financial executive Paul Dimitruk, who was his neighbor. American expats, the two shared a frustration with the money management skills of private banks. They were intrigued by the idea, popularized by Yale endowment manager David Swensen, that institutional investors could make more money shifting out of liquid stocks and bonds and into illiquid assets.

Miranda, who was a director at Bain & Co., had left the Boston-based consulting firm after spending 19 years there. Partners initially targeted wealthy individuals, specifically

upper management at Bain. His big break came when Rothschild took a stake in Partners along with Sir Ronald Cohen, an early venture capitalist.

The firm opened its doors to institutions in Europe that were beginning to embrace the Yale endowment model, including Eton College, the elite boarding school that Rothschild attended. “Stan was attracted to the endowment model,” says Cohen, who co-founded Apex Partners, one of England’s first venture capital firms. “It seemed to me this was going to be the future.”

Partners employed a similar strategy in the U.S. out of its Boston office, managing money for wealthy individuals through Miranda’s Bain network, which led to clients such as Milton Academy in Massachusetts and the Cancer Research Institute in New York. With Partners’ West Coast clientele and investments growing, Miranda bought a home in Woodside, Calif., so he can split his time between the U.K. and U.S. overseeing the firm’s expansion.

In the Valley, Miranda is working closely with people such as Geoff Rehnert, who helped start Bain Capital and is co-founder of private equity company Audax Group, which has offices in Boston, New York, and San Francisco. Rehnert, who invited Miranda to join the cycling club in Woodside, thinks the newcomer will have plenty of business. “A lot of folks are senior in their firms and getting ready to retire,” Rehnert says. “It’s very well-suited to Stan’s model.” ●

McDonald is an endowment reporter at Bloomberg News in Boston.

*Heir to a
Schlumberger
Fortune Goes*





From Zero to 60 in 3.1 Seconds

By ANDERS MELIN

PHOTOGRAPHS BY HOUSTON COFIELD





Primland guests circle the Virginia International Raceway

HAROLD PRIMAT REVS THE ENGINE of his Radical SR3, and the roar from the 225-horsepower motor rips through the autumn morning. “Let’s just have fun,” says the heir of a billion-dollar oil fortune, before lowering his visor and stomping on the gas. The red-and-blue race car, which can charge from zero to 60 mph in 3.1 seconds, bolts from the pit at Virginia International Raceway.

Less than two minutes later, Primat zooms past at twice that speed, having effortlessly lapped the 3.27-mile course with 17 curves and hairpin turns, burning almost a half-gallon of fuel in the process. For Primat, who recently ended a 17-year career as a professional endurance-racing driver and also happens to be the great-grandson of Marcel Schlumberger, one of the two founders of the eponymous oil-services giant, it’s just another day at what used to be his job.

He spends the next few hours rounding the track at least 40 more times in his two-seat Radical. Shoehorned next to him are friends, business partners, and others who take turns experiencing the wild ride through the hills of southern Virginia at breakneck speeds. Later they’ll get behind the wheel to test the limits of physics and their own driving skills. Primat sends them off with a crucial piece of advice: “Just make sure you know where the brake is.”

The day on the track near Alton, Va., is the main attraction of the Primland Racing Experience—a three-day event

he hosts for people who share his affinity for fast cars, golf, and good times. Beside driving Radicals, guests also race Audis around a narrow, serpentine course that tests a driver’s dexterity and the cars’ brakes. The day ends with competitive karting, joined by Neel Jani, part of the winning trio in the 2016 Le Mans 24-hour race.

By dusk, the group swaps cars for vans to be whisked 90 miles to the west, as their helicopters have been grounded by fog. There, on the eastern slopes of the Blue Ridge Mountains, is Primat’s Primland, a 12,000-acre hunting lodge and resort. The next day, guests can golf with 18-time PGA Tour Champions winner Jay Haas. Or try sport shooting. Or visit the spa. Or hike one of the many trails traversing the lush hills.

This fifth edition of the racing weekend is capped at 20 participants and costs about \$8,500 a person. To Primat, who’s 43 and slender and sports perpetually tousled blond hair, playing host entails some work but mostly play. “I love the beauty of this place,” he says with a distinct French accent during breakfast at the lodge, perched atop a 2,900-foot mountain. “My dad loved farming, birds, and forests, and thought it would be good to have a base in the U.S., not just in Switzerland. So he bought it.”

Didier Primat, Harold’s father and a former Schlumberger director, bought the property in the late 1970s after searching unsuccessfully for a classic American ranch. It was used for



Primat hasn't fully put his racing days behind him

logging before being turned into a luxury resort with capacity for more than 150 guests. Renowned designer Donald Steel helped create an 18-hole golf course.

The family collectively owned Schlumberger Ltd. shares worth about \$3.2 billion when Didier died a decade ago, a regulatory filing shows. Those not already held by Primat and his seven siblings were split among them. Some were sold, and the proceeds went into Primwest Holding NV, a family office set up in the late '90s that's run by a former Schlumberger executive and a staff of about a dozen.

The family office invests in all major asset classes but, for diversification purposes, avoids making additional bets on oil and gas beyond the remaining Schlumberger stake, Primat says. The investment committee, which decides where money is allocated, is composed solely of family members. "We always thought that having a family office was a more cost-effective solution than using third parties," says Primat, who became more involved in managing the family's money after he quit racing. "We feel that it's far more efficient and puts us in control of our own destiny."

Beyond Primland, the clan owns several luxury resorts and other properties. Primat—the only golfer among the siblings—is particularly fond of the Appalachian estate, which he says he visits about three times a year.

Born in Paris, Primat attended racing schools in France

and the U.K. He worked as an analyst in New York at Lepercq, de Neuflyze & Co., a wealth manager for high-net-worth clients, before quitting to start his racing career in his 20s. He settled on endurance racing, which was more appropriate than Formula One for his age and 6-foot-2 frame, and participated in numerous international competitions. A sixth-place finish in the 2010 Le Mans, the world's oldest still-running endurance race, is among his top achievements.

Primat, who retired in 2016, says he's now applying his competitive spirit to manage the family fortune. He's personally invested in about a half-dozen startups, including language-learning service Busuu Ltd. and pet-tracking toolmaker Tractive GmbH, and serves on several boards.

The Primland racing event was conceived toward the end of Primat's career when he and fellow professional driver Tom Kristensen decided to commingle their shared passion for racing and golf. He rarely races these days but says it's easy to get back into it whenever he finds himself behind the wheel, as he did that September morning, launching the Radical into hairpin turns.

To some, it's exhilarating. To others, including Dallas real estate developer Gabriel Barbier-Mueller, it's slightly nauseating. "Maybe riding before lunch would have been better," he says. ●

Melin is a wealth reporter at Bloomberg News in New York.

POWERED BY RICH <GO>



ZHOU HONGYI, THE 48-YEAR-OLD CHAIRMAN of an internet security company with about 500 million users in China, watched his fortune rise and fall this year after moving his company from one stock exchange to another. In July 2016 his company, then called Qihoo 360 Technology Co., delisted from the New York Stock Exchange. Last year it announced a plan for a backdoor listing in Shanghai via a transaction with a shell company, whose shares soared on the news. Zhou's redubbed company, 360 Security Technology Inc., began trading on Feb. 28, 2018. Zhou has since experienced the downside of listing in China. Chinese stocks tumbled this year on concerns about a U.S. trade war and a slowing economy. Here's a look at how his wealth weathered a volatile year:

\$12b

How much richer Zhou became on Feb. 28, when 360 Security Technology started trading in Shanghai.

6x

How much larger the company's valuation became between the U.S. delisting and its start of trading in Shanghai.

554%

The price gain in shares of 360 Security's shell company from the November 2017 announcement of the backdoor listing plan to the start of trading in February.

\$200m

The upper end of how much 360 Finance Inc., a financial arm of 360 Group, plans to raise in an initial public offering in New York. The offering may allow Zhou's fortune to jump again.

60%

The share price drop of 360 Security Technology in the nine months to Nov. 28.

\$4.5b

Zhou's current net worth as of Nov. 28, according to the Bloomberg Billionaires Index.

Research. In detail. In context.

Financial firms need to make decisions at the speed of the market. With 250 analysts covering 1,800 companies in more than 135 industries, **Bloomberg Intelligence** delivers timely and unique perspectives to enhance your in-house research.

Learn more at **BI <GO>**
on the Bloomberg Terminal®.





Bloomberg

Used by thousands. Followed by trillions.

Bloomberg Barclays Indices are used by leading fixed income money managers who benchmark trillions of dollars to our flagship indices. Benchmark your portfolios to the most widely used fixed income benchmarks globally. Bloomberg offers standard market value and alternative-weighted indices, as well as a full suite of customized index capabilities and solutions, and the Bloomberg Barclays Indices are fully integrated with powerful analytics on the Bloomberg Terminal®.

To learn more visit:

 [bloomberg.com/BBI](https://www.bloomberg.com/BBI)

 IN <GO> on the Bloomberg Terminal

Bloomberg

 **BARCLAYS**

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in Bloomberg Barclays Indices. Barclays takes no responsibility or liability in any form for the contents of this message, which are created and controlled by Bloomberg. © 2018 Bloomberg. WF269765 0818