

# Family office profile: Turim Family Office, Brazil

Interview with Gustavo Marini by Barbara R Hauser

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## **What were your education and professional experiences before founding Turim?**

I graduated in engineering and hold an MBA from Coppead-UFRJ (Universidade Federal do Rio de Janeiro) and a Masters of Science in Business from MIT (Massachusetts Institute of Technology). I had the good fortune to be hired as soon as I graduated by Banco de Investimento Garantia, the largest investment bank in Brazil at the time. Its founders and major shareholders, Jorge Paulo Lemann, Marcel Telles and Carlos Alberto Sicupira, later founded the Private Equity group 3G Capital. I spent 10 years working there, and had roles from the back-office, trading, client relations, credit analysis, and corporate finance. Later, I was promoted to lead their Rio de Janeiro office.

When I left the bank, I decided to take a sabbatical year to study and think, and during that time I was honoured to be accepted to the Sloan Program at MIT. Later, I returned to Brazil to work on my Masters thesis about a virtual broker dealer. I started working for Banco Bozano Simonsen, and at that time Garantia had already been sold to Credit Suisse First Boston. At Bozano, I was managing director responsible for their private banking area. At the same time, I continued to work on my thesis and brought it to life by helping to found 'Investshop.com', the first virtual broker dealer in Brazil. The pillars for this business were independence, impartiality and transparency. This was a great learning experience that I brought to my next role as CEO of Santander Brasil Asset Management & Private Equity and Director of the Bank Santander Brasil.

## **Tell us more about how Turim was created**

Turim was founded with the aim of managing the wealth of three families in Rio. One of them sold their family business and asked me to help them manage their new wealth. With this I decided to build a dedicated and specialised structure in order to best service them. When I left Santander to establish Turim I continued with the three pillars I had developed for my Masters thesis and added one more: independence, impartiality, transparency and confidentiality. These are the values that still guide us today.

Our priority, and this is important, was to focus on serving our existing clients in the best possible way rather than to search for new ones, as these would come organically to us – no cold calls, no active sales

itches. We were very passive when it came to client prospecting, but we started in 2001 with three families and US\$50 million in AUM and today we service 55 families with US\$6 billion in AUM.

## **What challenges did you face at the beginning?**

One of our biggest difficulties was to disseminate the concept of 'family office' in Brazil. This business model was practically unknown here. Family businesses, personal finance and investment portfolios were all handled the same way and, in some cases, mixed together. I am honoured to have faced this challenge by helping diffuse family governance here in my country. We are proud to be one of the pioneers of the multi-family office model in Brazil.

## **How is Turim today and can you tell us more about how it changed into a multi-family office?**

The transition from single-family office to multi-family office was very natural. This was the reason I recognised I had a great business opportunity on my hands. When the first family came to me for help, I consulted with Jorge Paulo Lemann about this business idea and he introduced me to John Davis, a professor at Harvard, and John's business partner, Dana Telford. They came to Brazil and after much conversation defined my business as a whispering company. That meant we had to be very low profile, or as I wish to call it, no profile. In reality, this meant we had to prioritise our client base and offer them very high-quality services. We would first start with three families, then progress to five and so on. With this, we started building a geometric progression of families, solely based on word-of-mouth recommendations.

Seventeen years later and we have 55 families as clients, with offices in Rio de Janeiro, São Paulo and London and a team of 70 professionals.

## **In your opinion, what makes Turim stand out?**

We call ourselves the families' CFOs. With impartiality, we can only be compensated by the families and we always aim to optimise costs for them, whether it is those charged by investment managers or service providers. We only sell services; we have no products for sale. We choose and adapt each service to the needs of each family, which means that what we do is tailor-made and that we learn with each new undertaking brought to us.

Turim also had the immense opportunity to back one of the MIT – Sloan School of Management (Action Learning Lab) lab projects, developing together with them an elaborate model focused on the identification of the investor profile to be used internally. Our model is called MEPI which means Strategic Mapping of the Investor Profile. Its aim is to better align our clients' investment portfolio with their objectives and we consider this project an enormous improvement of our Investment Policy model and internal processes. To develop it, an extensive analysis of the industry's best practices was conducted together with an evaluation of recent and influential papers published about profiling, risk attributes and metrics, as well as of cognitive sciences. I believe this initiative is very coherent with our constant search for challenges, allowing us to evolve and guarantee the quality of our service.

#### **How is Turim structured?**

We adopt the partnership model which means we don't have financial shareholders – all partners work at Turim. I started with 100% ownership of the firm and I now have 40%, the other 60% is divided between 13 partners. This means we have a very firm and reliable business with no conflicts of interest. All partners work together. By attracting and retaining qualified professionals and with our culture of training and molding new professionals internally, we are able to cultivate and perpetuate our philosophy and values. We aim to build the best team possible, making sure they receive the best training available. I have always strongly encouraged Turim's professionals to study, for example at MIT's and Harvard's specialised executive courses. I believe that my successors here at Turim must be better than me. My work here is to best match their qualities and weaknesses to the best tasks possible, always making sure they are at their most efficient by motivating and pushing them to their reasonable limits.

Turim ensures that our client-families' liquidity is taken care of and we are happy to give them some peace of mind when it comes to investing their wealth and overseeing their personal finance. We have a special division called Advance Planning that we believe is what catches the eye. To design the correct

and most efficient investment structure is critical in order to reach their financial objectives and tranquillity. It is because of this that I am extremely pleased not only with what we do but with the professional team we have assembled. Our main goal will always be to preserve our clients' wealth, both in Brazil and abroad.

#### **How did the name Turim come about?**

My last name is Marini and I am very proud to be from an Italian background. I wanted a name related to the bull, which in finance represents optimism and strong expectations for results. The bull from Torino, the city in Italy, became Turim (Torino in Portuguese).

#### **Can you tell us a little about how global Turim is?**

To invest globally is in Turim's DNA. Wigmore, a special association of leading family offices from several countries, was and has been essential to us – a turning point, I call it. It gives us access to Wigmore's global partners, and because their diligence is so thorough a new member is accepted only when it can contribute and add to the group. We feel very honoured to be a part of this. By having our investment teams in constant communication and meeting in person twice a year, we are able to perpetuate a global perspective when it comes to investing. We believe this gives us an enormous edge.

Turim's decision to open a London office follows this line of thinking perfectly. I believe that the earth's 'centre of gravity' is shifting. Although the United States continues to be powerful, with Asia continually growing, we felt the need to open an office on neutral ground – close to both powers and unbiased when it comes to investments. This proximity helped us to continue investing in countries such as Japan, India, China, and increased the range and scope of our relationships. Two-thirds of our AUM is now invested overseas and one-third in Brazil. This directly reflects how global a vision Turim has, and how we like our portfolios diversified.

Additionally, Palo Alto, California, has been on our radar for over three years now. We have slowly developed collaborations and investments there and I strongly defend this new technological era we are entering. We have even set up for our clients a tech

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basket, a portfolio of listed companies in the technology sector, including names such as Apple, Google, Facebook, Alibaba, Amazon and Microsoft. I believe that these companies are in a position to lead the technological revolution that is upon us.

**What are some of the accomplishments that you value highly?**

I am very proud of everything we have built so far. I consider it a privilege to be able to interact and work with such a broad range of families from an assortment of historical and business backgrounds, cultures, heritages and values. Understanding their needs and offering high-quality and personalised services is highly significant to me. We are able to participate in different stages, from entrepreneurship to philanthropy, succession planning and, of course, wealth management. We like to stress that taking care of your own business and managing your own money are two different businesses that require a lot of attention.

**What are your plans or objectives for the near future?**

Our aim is not to be the largest multi-family office in Brazil. Our aim is to keep offering the highest level of service, and if you think about it, US\$6 billion in AUM certainly makes us significant and one of the largest independent family offices in Latin America. I hope we continue to grow in excellence. Because we are so invested globally, we challenge ourselves to continue expanding and to keep up with markets from around the world. Maybe an office in Palo Alto might also be a differential, complementing our Brazilian and London offices. I strongly believe that our goal is and should be to continue to deliver the finest possible service and to always meet the families' needs, beyond the financial sphere and with no conflict of interest whatsoever.