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Special Edition Dakota Live! Call

**EPISODE 2:**

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**John Tassone,  
Director of Investments**

*at Forbes Family Trust*



**Robert Morier:** Welcome to the Dakota Live! Podcast. I'm your host Robert Morier. The goal of this podcast is to help you better know the people behind investment decisions. We introduce you to chief investment and executive officers, managers, research professionals, sales leaders, and other important players in the industry who will help you sell in between the lines to better understand the investment sales ecosystem. If you're not familiar with Dakota and the Dakota Live! content, please check out [dakota.com](https://dakota.com) to learn more about their services. Before we get started, I need to read a brief disclosure. This content is provided for informational purposes and should not be relied upon as recommendations or advice about investing in securities. All investments involve risk and may lose money. Dakota does not guarantee the accuracy of any of the information provided by the speaker who is not affiliated with Dakota, not a solicitation testimonial or an endorsement by Dakota or its affiliates. Nothing herein is intended to indicate approval, support, or recommendation of the investment advisor or its supervised persons by Dakota. Today's episode is brought to you by Dakota Searches. Are you tired of endlessly scrolling through investment publications, trying to stay on top of the latest investment mandate opportunities? Look no further than Dakota Searches. With Dakota searches, you'll never miss a new mandate again. Our powerful platform sends you email alerts as soon as new searches are posted so you can be one of the first to know. Subscribe today for a 30-day free trial and experience the convenience and efficiency of Dakota Searches. And for even more benefits, become a Dakota Marketplace member for full access to Dakota Searches. Our institutional investor database Dakota Marketplace and more. Sign up for Dakota Searches and stay ahead of the game. Visit our website at [dakota.com/dakota-searches](https://dakota.com/dakota-searches) to learn more and start your free trial today. Before I kick it over to Chris and the team, I want to introduce you to our guest, John Tassone. John is the Director of Investments for Forbes Family Trust. John has over 25 years of experience across multiple disciplines within the investment advisory, family office, and financial services industry. At Forbes, John is a senior member of the investment team responsible for manager due diligence and monitoring of both public and private investments, as well as asset allocation, portfolio construction, and risk management for client families. During his career, John has held senior roles at various wealth management firms, including GenSpring Family Offices, as well as founding an investment advisory firm focused on ultra-high net worth client families. Prior to GenSpring, John was an investment banker at Deutsche Bank in New York, where he helped originate and execute over 25 merger advisory, debt, and private equity capital raises and public offerings worth in excess of \$12 billion for family offices and institutions. John received his BS in business management from the Dyson School at Cornell University, his law degree from Albany Law School, and an MBA in accounting from the Union College Graduate School of Management. He is also a board member and treasurer of the Wounded Veterans Relief Fund charitable organization. We look forward to this interesting interview.

**Andrew O'Shea:** So John, tremendous experience. Thanks again so much for joining today. Would you mind telling our audience about Forbes Family Trust?

**John Tassone:** Sure, thanks for having me today. I appreciate it. Dakota is a great organization. And happy to help. So real quick. Forbes Families Trust we're a multifamily office. We serve ultra-high-net-worth families. We provide a broad range of services, including investments, tax, and estate planning, as well as non-portfolio management activities like philanthropic and family governance advisory. We have offices in Boston, New York, Philadelphia, and Palm Beach. And specifically, in North America, we've also partnered with Optima Asset Management, which is a New York-based hedge fund specialist. And I think that's important because, given our long history, and our clients' long-standing interest in alternatives, a lot of our focus has been on the alternative investment space. And the Optima partnership gives us further capabilities to source that and build out compelling solutions where our clients need them. So we're fortunate to have a great firm full of great people and great clients.

**Anna Blumenfeld:** Thanks, John. I appreciate that background on Forbes. You talked about alternative investments a little bit. I would love to just go a little deeper there and hear about how alternative investments are utilized in client portfolios, specifically at Forbes, and just current thinking around alternatives.

**John Tassone:** Now that sounds great. And I think it's an important conversation as an allocator as well. So I think, as many of us know, the traditional 60/40 asset allocation model continues to be challenged. And we're seeing more and more investors look to alternatives, not as a separate asset class, but rather as a core component of their asset allocation. And that's a viewpoint that we've long held at Forbes. The reality is that the non-correlated nature of alternatives, whether you're talking about private credit equity, et cetera, really allows for a fit within a portfolio that typically provides a more compelling risk-reward profile. And I think, as most people can appreciate, especially as we navigate these most recent market challenges, they are frequently recognizing that alternatives can provide that balance to their portfolio. And that was a role that fixed income traditionally used to play. But given the greater correlation between equities and bonds over the past several years, alternatives have been viewed very differently today and, as I mentioned, more as a core allocation in the portfolio. Now, once again, you certainly have to source the right investments. You have to have solid relationships with the right managers. And that's one of the things that we think we do really well at Forbes. So although it may be a different approach for many advisors, we've been using alternatives as, of course, structured in our portfolios for a long time to help achieve our client's goals and objectives.

**Andrew O'Shea:** Great. John, you have a very large asset base. Can you talk about how your investment team is structured? Is it more of a generalist approach? Or are you all structured by asset class?

**John Tassone:** Sure. Now, that's a good question. The short answer is we're all generalists. And although some folks may have more experience with certain strategies, and therefore you might see them gravitate toward covering some of those names, we all work on many different strategies and structures. And that's by design. We believe that provides a level of collaboration and teamwork and helps us mitigate the tunnel vision that you can sometimes see with being a specialist. So overall, we think it not only allows a broad range of thinking but it also helps us attract talent to the firm.

**Anna Blumenfeld:** Great. Thanks, John. We talked a little bit about how you guys are large users of alternatives at Forbes. Are there certain strategies or investments that you do not invest in?

**John Tassone:** The answer to that question is simply no. The way we view the world is if something looks compelling and it makes sense to us, we'll investigate it on behalf of our clients. That said, we don't chase performance, nor do we chase trends. I'm into sports. So I'll have to use one of our analogies. We like to think of it as skating where the puck will be rather than where it is today. We believe there's a significant amount of value in exploring every strategy that might benefit our clients. But here's the important part, the key is that we have to understand it. In this business, there's often a propensity to follow trends instead of trying to get in front of the demand curve. We're not looking for the best idea that everyone else is already interested in. But we're really trying to identify those opportunities for our clients that have not already been exploited. Obviously, that's very difficult. Those ideas are the types of things that will gain the most traction and that we can bring to the table in advance to the rest of the market are the ones that we think will have the most value over time. As I mentioned, it's not easy. But it's what we try to provide for our clients, interesting, innovative, strategic ideas that we can incorporate into their financial picture to help them achieve their goals. Now, of course, that requires us to be open-minded and to investigate a myriad of asset classes and strategies. And while we certainly won't invest in all of them, it allows us a great platform for building out a wealth management solution for a host of different situations. So the bottom line is to be open-minded, be flexible, and recognize we don't know what we don't know.

**Andrew O'Shea:** Great. That leads nicely to our next question. There is a legacy in being a first-move investor at Forbes Family Trust. Can you discuss that heritage? We have many boutique managers listening into this call.

**John Tassone:** Absolutely. Now, and this is a question that we get asked often, and frankly, I'm proud of the answer. Legacy or heritage, to us, that-- it really starts with the culture of the firm. And we really believe that's our greatest strength. We like to manage money as if it was our own because it is. We're all invested alongside our clients. And that allows us to think differently about things and to look in different places for opportunities. And I'll give you a few examples. So in some cases, we ask managers to do things like creating a unique mandate that the managers themselves may not even see. One of those was we were talking to a really well-known long-short equity manager to that we had capital allocated to for years. We asked them to actually strip out the short book and allow their long-only book to take hold. And that's been a great strategy for us because we piece those pieces together and building out the portfolio. And we're ultimately in charge of the fact, the risks, and the various other things. So that was something that we did because we had a more, I'd say, entrepreneurial or creative lens. And it gave us the ability to look at it a little bit differently. Another, and I'll talk about this in a second, is our global trading strategy. This is something that we use as a reliable hedge for other risk portfolios. And then, finally, when it comes to fixed income and credit, we think about it in a different way. And we've been moving from a traditional long-only fixed income to a more tactical credit alternative. And so, to put a little bit more meat on the bone as it relates to the global trading strategy, I want to talk about that real briefly here because I think it's important, and it's something that we've believed in, and we've implemented in our portfolios for a long time. Once again, I'm talking about a global trading strategy broadly defined. This is a core allocation in our portfolios. We've long espoused the benefit of this type of solution because we refer to it. And if you look at the return profile, it's really an all-weather portfolio. And what it is more specifically, it's a multi-manager strategy that creates this anchor or ballast during times like today, but it also provides some reasonable level of upside during upmarkets. And this is the kind of core allocation in the alternative space that you can add to a portfolio that really proves its mettle in times of extreme market stress. To give you a little more detail on it, it really acts as that defensive component, as I talked about. And it's typically comprised of CTAs, global macro managers, tail-risk managers, along with some relative value, maybe some vol arb, and even some directional long-short equity folks. This combination allows for some level of portfolio protection regarding of what the catalyst is for a negative market. And think about it this way, we've seen a lot of difficult markets over the years, and the catalyst for each one of them is somewhat different. So what we've done is we've tried to find a way to help our clients navigate through these tough times without having to time the market, which, as everyone knows, is really, really difficult, if not impossible. And then finally, in terms of strengths for our firm, and really for boutique managers, I think the key is consistency and being able to limit your time in a drawdown. It's one of the reasons the global trading strategy is so compelling. Limiting that duration and limiting the magnitude of any negative outcome allows the portfolio to recover more quickly and start compounding wealth in a positive

way. And at the end of the day, that's how you make money. And that's ultimately the goal.

**Anna Blumenfeld:** Very interesting to hear your perspectives, John, especially at a time like this. You talked a lot about what a challenging environment we're in. Forbes being a multifamily office, tons of resources, a big team, can you talk about what being a multifamily office means for your clients and their portfolios?

**John Tassone:** Sure. As we know, multifamily office is an ambiguous term. But for us, what it means is that we are the family office for each of our clients. We're basically an extension of what they've built. And we're acting in a fiduciary capacity. And I think that's important. Each relationship is different. Each family's needs are different, and they're unique to them. And so what we do is we customize the solutions and the services they need. And we customize the portfolios we help them build to take into account each of their unique goals and objectives, as well as their unique preferences and constraints. And at the end of the day, for us, our goal is to continue to earn our client's trust each day by working on their behalf and trying to do a little bit better every day. If you can just do a little bit better every day, over a year's time, it's amazing, the results and the opportunities that present themselves.

**Andrew O'Shea:** As I mentioned earlier, we have a number of business development professionals that are joining this call. You've been doing this for a while. And certainly, the markets are challenging at the moment. What advice do you have for business development and sales professionals to stay in front of allocators like yourself?

**John Tassone:** Yeah, good question. But I think it's the same. The age-old premise behind any great salesperson is not to give up. If you truly have something of interest and something of value, people will listen. And you simply have to make sure you articulate the value proposition and keep being persistent. I think it's actually as simple as that. And I would also add right now is a great time to be in the business because, typically, it's times like these when investors are looking for great ideas that will help them meet their goals. We've got a lot of volatility, a lot of uncertainty. So if you have a good story and something of value to propose, let people know.

**Anna Blumenfeld:** Thanks, John. I appreciate all of your comments today. We can't thank you enough for having you here. Just last question for you this morning, any searches right now at Forbes or any particular areas of interest?

**John Tassone:** Sure. Although I would characterize our organization as more on the entrepreneurial end of the spectrum versus the institutional end of the spectrum, we are always looking for great ideas. And that never stops. Like I said, we try to do a little bit better for our clients each day. And one of those ways is looking for

compelling opportunities. So right now, we're actually in the very formative stages of looking at what I would characterize as income-oriented strategies. As I noted, we've taken a bit of a different tack with fixed income in our portfolios, moving away from traditional long-only to more tactical in nature. So where are we looking?

Specifically, that could be private credit, private real assets, private real estate, both equity and debt, as well as some other more niche strategies. We don't believe we've got a monopoly on great ideas or intellectual capital. So we don't know what we don't know. So if there's something out there, we'd like to hear about it. And we'll take a look. But the point is, regardless, we all know that given this zero interest rate environment over the last several years, income has been tough to come by. And the opportunity set wasn't particularly compelling. So we believe that is changing. We believe that strategies that provide attractive risk-adjusted returns with, and here is an important part, a significant income or cash component appear to be more compelling now than they have in the past. So that's where we're looking currently.

**Andrew O'Shea:** Fantastic. Well, John, we're so grateful for your time, a long-term friend of Dakota and a premiere organization and Forbes family trust, and for giving us insight into your investment team and current thinking. We look forward to seeing you later this fall at our networking event in South Florida.

**John Tassone:** Yeah, absolutely. Thanks for having me on. I appreciate it. And we'll see you soon.

**Andrew O'Shea:** Thank you, John.

**Anna Blumenfeld:** Thanks, John.

**Robert Morier:** Thank you, Chris and the team, for that insightful interview. If you like what you heard, register for the next Dakota Live! call every Friday at 11:00 AM and 2:00 PM. You can find this episode and past episodes on [www.dakota.com](http://www.dakota.com) as well as [Spotify](#), [Apple](#), Google or your favorite podcast platform. Finally, we are available on [YouTube](#) if you prefer to watch while you listen. Thank you all for being here, and we look forward to seeing you again soon.