

BEDKNOBS AND BILLIONAIRES

There are a few things I've noticed about Gstaad that suggest that the mega-rich set who come here are — for now at least — curiously immune to the wallet-pinching effects of the sub-prime crisis or global credit crunch. When you walk into the lobby of a famous hotel like the Palace in Gstaad — the Claridge's of the town, where a 'superior' room will cost you over €1,000 a night (minimum five-nights stay in February) — you would expect to see jewellery cases stuffed full of necklaces and watches from the likes of de Grisogono or Harry Winston.

What I did not expect to see, however, was a glass case filled with gold-plated and crystal-encrusted doorknobs and handles. But there it was, prominently located right next door to the coat-checking room so you couldn't miss it. Peering into it, I tried to imagine the conversation between a wealthy guest and his fur-coated mistress, wife or girlfriend who might be hoping for some diamonds, whether it be for Valentine's Day or whatever. I just couldn't imagine any girlfriend of mine walking straight past the Harry Winston jewellery case (dripping with diamond ear-rings and such like) and then stopping to gaze inside the prominently displayed glass case and saying, 'Darling, I think that purple doorknob with the crystal diamonds would look so nice on our en suite bedroom door'. Only in Gstaad.

STEEP PRICES

Hedgehog went skiing in Switzerland in the second week of February. Jet-set parents came complete with Ralph Lauren-clad offspring, squeezing me out of every five-star hotel within a five-mile radius of Gstaad town centre. I missed out on suites at the Palace, deluxe rooms with mountain views and pink marble baths at the Park, and two-bedroom suites at the Olden, all of which came with four-figure (in local currency) price tags.

I stayed instead with art-dealer friends in their chalet a short drive away. The Scherzes, Donatella Bertarellis and Bernie Ecclestone of the world are seemingly trying to outdo one another by hiking up the room

rates at their respective trophy hotels and inciting friends to splurge more *chez nous* than *chez elle* or *lui*. I wonder if they'll still be able to get away with such prices at this altitude when it stops snowing altogether. I rather suspect they will.

THE COST OF CONFLICT

Compared to the *hoi polloi*, whose personal inflation rate is up 2.1 per cent on last year, that of the wealthy is up some 9.5 per cent by virtue of the fact that the cost of luxury goods is rising faster than prices of more freely available products and services. According to Coutts's *Wealth Inflation Index*, the wealthy spend 220 per cent more than the average person on recreation, 208 per cent more than the average on restaurants and 410 per cent more on household goods and services.

One area where HNWs have been particularly hard hit by inflation is the soaring cost of prenups. According to James Marcus, senior partner at Marcus Sinclair, the cost of a prenup about four years ago was between £3,000 and £4,000. The average price today is closer to £8,000.

Expect the increased price tag not to be an issue with wealthy would-be husbands who will be comforted to know that the prenup signed by property developer Stuart Crossley (worth around £45 million) and his fourth wife Susan (worth £18 million), which agreed that neither side would make a claim against the other in the event of divorce, was as good as upheld by the UK courts.

The case was handled by Withers, which says that it expects the law to move towards favouring prenups when both sides have sizeable assets before a marriage. Susan Crossley attempted to challenge the prenup on the grounds that Stuart had not given full and frank financial disclosure. Her ex-husband described Susan (whose money has come via an assortment of divorce settlements) as a 'career divorcee', which is just a more polite term for serial gold-digger.

COUNCIL OF HNWS

Julia Peyton-Jones has done a great job of making the annual Serpentine party



the must-be-seen-at art society event of the season. But praise, she insists, goes to serial networker Rob Hersov for enabling the gallery to have the moolah to function in the first place. As founder and chairman of the Serpentine Gallery Council, the Net Jets impresario has built up what Peyton-Jones describes as 'an extraordinary group of people at the very top of their respective professions,' to support the gallery in its ongoing fundraising efforts. Top of the food chain are the council Members, including Sheikha Paula Al-Sabah and Pia-Christina Miller, who enjoy perks such as trips to art fairs abroad and access to key opinion formers such as Matthew Slover and Amanda Sharp of Frieze, in return for the £50,000 they donate to the Gallery's arts, architecture and educational programme over a three-year period.

Next come the Patrons, whose yearly £2,500 donations entitle them to the option to entertain twelve guests for breakfast or lunch at the gallery or in the Serpentine Summer Pavilion during the summer months; the Benefactors, who pledge £500 a year for five years and receive invitations to attend six VIP private views and six donor breakfasts a year; and the Future Contemporaries, an exclusive members club of new-generation philanthropists aged 39 or under who donate £83.33 per month (£1,000 a year) over a period of two years and get, as a thank you, tickets to leading auction houses' contemporary sales preview evenings and a summer drinks party held ex-

clusively in their honour. 'Individual giving is a very important part of the Serpentine support group and we appreciate every single person who helps us,' says Peyton-Jones diplomatically, before adding that the council, really, 'is the jewel in our crown.' Thanks to them and assorted surrounding pearls, the gallery each year commissions an architect to erect a temporary structure for the gallery's Summer Pavilion (Zaha Hadid in 2000, Frank Gehry this year, to name but a few).

In case you're wondering — and we say this casually because the point of giving is to do good, not receive something in return — Patrons and Benefactors get priority booking for the Summer Party (Benefactors as of one year after they join), while Future Contemporaries do not. Council members, naturally, do away with queues altogether and get their tickets for free. A significant plus but again, folks, isn't giving pleasure enough?

For more information about the various individual giving schemes and the Serpentine Gallery Summer Party, call +44 20 7298-1546.

BONFIRE OF THE BONUSES

It's a lock-in, boys, and sadly it's not at Soho House this time. The binge of last year is well and truly over and as the paint dries on your new pad in Mustique, preparations are being made to weather the storm set to ravage the City this year. Last year, CEOs guzzled up bonus payments of at least 164 per cent of their base salary, an increase from 2006. Things were on

the up last year but, true to form, what goes up must come down. According to Mercer's recent survey on executive pay in European financial services companies, many boards are giving their executive bonuses a face-lift. Spurred on by the worry of impending losses and the fear of their top talent's migration to various rivals, this year sees hard-cash bonuses slashed and padded out with restricted stock and options. 'Many financial services companies use more than one long-term incentive plan in order to balance achievement of financial performance goals with stock market volatility,' explains Vicki Elliot, worldwide partner and Mercer's global financial-services industry leader. Among survey participants, 34 per cent are planning to review long-term incentives and share based schemes over the next twelve months. Those of you across the pond shouldn't feel too smug, however. Mercer reckons this trend is catching, with many global financial-services companies taking a more European approach when paying their executives.

PALAZZO ENVY

Venice, a city once renowned for its unique beauty and decadence, has become the site for entrepreneur Francesco Morawetz's most recent real-estate venture. Autumn 2008 will see the opening of Palazzo Pauly, an exclusive private club offering members part ownership of a restored Renaissance palazzo, divided into 26 renovated apartments. Known previously as the headquarters of the Pauly Glass com-

pany, the palazzo lies a mere 200 metres from Venice's Piazza San Marco. Morawetz has gone to great pains in order to attract a clientele of HNWS with many perks included in his exclusive membership, such as the use of a private jet and yacht, useful for an emergency escape when the city floods. 'Palazzo Pauly is the most exclusive luxurious home in the heart of the most seductive and unique city in the world,' declares Gennaro Condemmi, the membership manager. And he's not wrong. Funnily enough, Venice is the only city in the world that is home to only 20 plumbers. Sadly, our efforts to contact the elusive Mr Morawetz were to no avail, we just hope he hasn't gone AWOL after braving the maze-like alleyways of the city or found himself without a plumber in a sinking palazzo.

PORTRAIT OF A FINANCIAL ARTIST

Spear's WMS has commissioned London-based portrait artist Fanny Rush to paint the winner of our Lifetime Achievement Award for Wealth Management 2008, which will be given out at Sotheby's this September as part of the prestigious *Spear's* Wealth Management Awards — the Oscars of the financial services and high-net-worth private client community. Last year's winner was the deputy chairman of Sand Aire and former CEO of HSBC private bank — Marcus Gregson.

Ms Rush, who works from her studio in Chelsea, says she is looking forward to the commission. 'I absolutely

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THE HEDGEHOG

love painting very bright, innovative individuals whether they be tycoons, CEOs or politicians.'

Rush is the grand-daughter of Mary Norton — author of children's classic *Bedknobs and Broomsticks* — and daughter to artists Peter Rush and Caroline Lucas. Her previous commissions include Nobel laureate Sir Paul Nurse FRS, the Earl of Dartmouth, Sir William Castell, John Studzinski CBE and, most notably, cricketer Shane Warne, whose portrait now hangs in the Long Room of the members' pavilion at Lord's.

MUSIC TO THE POCKETS

Florian Leonhard Fine Violins, one of the world's top violin dealerships, is developing a global investment fund dedicated to fine violins. The fund will be led by an all-star team, including classical musician Julian Lloyd Webber and former deputy speaker of the House of Lords Viscount St Davids.

The new venture looks to raise a minimum of £40 million of committed capital and targets a net annual return of fifteen per cent. Over the last two decades fine violins have outperformed major asset classes, on average yielding eleven per cent per annum. The stock of high-quality violins from 17th- and 18th-century Italian masters like Stradivari is fixed or even declining, yet their technique still remains unrivalled by modern violin makers. The rarity of these pieces is boosted by significant demand from professionals longing to play them, individual collectors wishing to invest and own them, and museums that are interested in exhibiting them.

In addition to the pursuit of capital appreciation, the fund intends to loan the violins to young, up-and-coming musicians who are priced out of the market. The goal is to help exceptional musicians reach their full artistic potential and optimise the quality of classical performance at the highest level. This philanthropic enterprise

will separate the fund from museums and institutions which keep fine instruments from the marketplace.

Of course, not all charity goes unrewarded. The value of violins increases when lent to top musicians. Furthermore, each investor that has invested a minimum of £1 million will receive a private recital for him and his guests by the artists sponsored. With a fifteen per cent target return, classical music and some well-intentioned philanthropy, we hope the Fine Violins Fund is destined for alpha performance.

ATTACK OF THE MILLIONAIRESSES

By the year 2020, according to research by Addidi, 53 per cent of millionaires in the UK will be female. Addidi is the new concierge and financial PA service designed specifically for HNW women. The company aims to offer a new lifestyle and wealth-management scheme to women who have money but simply don't have time. The services on offer range from helping to set up a charitable foundation to buying art or investing in property.

Anna Sofat, founder of Addidi and director of AJS Wealth Management, explains that Addidi will be more than a concierge service. After an approval process which includes a personal interview, each client will be assigned a staff member whose first job will be to understand the client's concerns and wishes, enabling Addidi to target problem areas and assist the client in their day-to-day finances. Sofat is pleased to point out that 39 per cent of high-net-worth individuals in the UK are women and that the combined wealth of Britain's top 100 richest women comprises an impressive £33 billion as of 2007. It was precisely this trend that encouraged her to start Addidi, she says, a company that will hopefully allow women to accumulate wealth at an even faster clip. Addidi launches on 11 March, 2008. Potential clients should contact the company via their website: www.addidi.com

HALSTON REVISITED

Can Tamara Mellon pull it off again? At least this time the girl won't be blamed for stealing someone else's thunder. Accusations have long hovered over her claiming that Mr Jimmy Choo did not materially benefit on as large a scale as she did from the millions the brand earned her as 'founder', but that's all Perrier under the bridge now. The former accessories editor is on to her next challenge, and what a fitting post it is.

The iconic and ridiculously well-known Halston name was acquired last year (Roy Halston Frowick died in 1989) by a group of investors (led by Hilco Consumer Capital, LLC and the Weinstein Company), who wasted no time in making Mellon a member of its board of directors. She is also a member of Halston's creative advisory team together with a girl named Rachel Zoe, a Hollywood stylist. Mellon, a co-investor, told me when I bumped into her on the slopes that they paid \$27 million just for the right to use the Halston name.

The revamped Halston brand was launched during New York Fashion Week where entertainment mogul Harvey Weinstein, his fashion-designer wife Georgina Chapman, Mellon and her partner, the actor Christian Slater, sat on the front row. Mellon wore a grey jersey draped dress that retailed online the following day for \$1,750.

The femme-fatale entrepreneur has no small part to play in the revival of America's first luxury ready-to-wear brand. Halston, the man, was the most influential designer of the 1970s, through whom American fashion came of age. Every fashionable woman wanted to be dressed and escorted by him to Steve Rubell's Studio 54. He created an easy elegance that made women feel like women. Not that I would know first hand. As a male hedgehog I'm rather more excited at the thought of a Halston line for men, which Mellon tells me is on the cards. She shooed on down the piste where I had time to ask her when and where we would be seeing this godly, Halston spirit-infused, male fashion-line. You heard it here first.