Portfolio *Confidential*

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I am interested in investing in family-oriented companies. Recently I heard the term "Famtech", and I wondered what it is all about. Is it possible to invest in Famtech?

Based on my research, you are not alone in your interest in investing in the causes and concerns that matter to your family and other families. Famtech start-ups combine parenting, wellness, and innovation. According to Fitt Insider, "Family tech is getting a fresh wave of funds; VC deals for U.S. baby start-ups have almost doubled since 2016, climbing from $182M to $491M. And, from sleep tech to personalized nutrition, the infant innovations look a lot like the trending tech adults are adopting."

In 2020 I spoke with Lauren Robinson, General Partner at Highline Beta, an early-stage venture capital fund that invests in companies solving corporate problems. Lauren is based in Vancouver, and she is on the Board of the Canadian Venture Capital and Private Equity Association (CVCA). Lauren said, "In a pandemic, the focus is on solving the problems that matter, and women are at the table as investors, board members and leaders of their industries. Today, more than ever, investors have an appetite to look at how capital is allocated. The full circle of capital is being re-evaluated: financial capital, relationship capital, and intellectual capital. When I look at the profile of the businesses that are thriving right now…they are increasingly aligned with an urgency to solve problems that matter in the world, which often aligns closely with the interests and values of women investors."

For my Rich Thinking® 2020 research report, I interviewed Elize Shirdel, Founder & CEO of HELM.life in Toronto:

"Just after I got my PhD and was pregnant with my second child, I went to work at a start-up in the marketing tech space. The environment was terrible, and I didn't stay long, but it really opened my eyes to what the start-up world looked like, and I thought—they're building the future—and I wanted to be part of that. So, I thought to myself…what am I going to build? What do I really need that isn't available? Answer: Our family needs a babysitter. Out of that experience, Datenight Babysitting was born, which has since grown into a larger platform: HELM.life. Famtech (family tech) has been so overlooked, yet moms control $2.4 trillion in North American spending! We've been growing our platform for a few years now, and we've helped so many different types of families with their childcare requirements. We are filling a huge need these days in the pandemic: interactive online activities and academic support for kids. It's important work."

Is it possible to invest in Famtech? Not yet via mainstream Exchange-Traded Funds (ETFs) and funds. Most of the Famtech investing that I have come across is done via crowdfunding or angel investing platforms. Keep an eye on this space, and meanwhile, consider using some of the Famtech platforms available to Canadians:

- HELM.life: helps families connect to the tools and services that they need to run family life.
- Rebelstork.com: a used baby gear marketplace created for parents.
- Kobelcares.com: supports moms and dads on their parenting journey and reinvents the prenatal and postpartum experience by providing multidisciplinary care.

According to my highly qualified (and highly respected) independent financial planner, I have accumulated enough wealth to support myself for the rest of my life. I spent $6,000 on a proper financial plan, and I think this was money well spent. My planner assured me that I have a "high-net-worth ", and all the financial projections look great, so I really don't need to spend any more of my time worrying about my financial future. While this is obviously terrific news, it is in my nature to remain cautious. Is there any other preventive action I could take to protect my wealth aside from ensuring that my investment portfolio is properly managed to support my lifestyle over time?

Well, first I must congratulate you on spending money on a proper financial plan. It is interesting to me that many wealthy people seem to assume that there is no need for that level of detail. With that very important step taken, you can now focus on doing your best to prevent other things from negatively affecting your financial future. What other things? I'll share a couple of ways to avoid potential wealth destruction based on my 25+ years of working with high-net-worth investors.

1. What is your partner doing with your joint savings? Is a "financial separation" in order?

A scenario that has become more prevalent over the years is the woman being the main breadwinner in the family. As a general observation, this seems to work quite well if each individual has a strong sense of self and his/her own interests or a vocation of some sort. Where it can get fraught is when the interests or vocation (especially of the lower income generating spouse) are burning cash.

In one case, a client of mine's husband started investing in his business—upgrading materials and equipment—but unfortunately, he made many unilateral decisions without consulting her. He pulled money (lots of it) out of their joint accounts, and these decisions put her/their savings at risk. In another case, the husband had been making multiple not-small investments in his friend's venture capital ideas; one of them was a cool half million bucks! To fund these "opportunities", he had been taking the money out of their joint investment account. To make it worse, none of the investments has paid off, although the more important issue is that he never even asked.

In both situations, the women opted for a financial separation. This isn't the usual kind of marital separation: they continue to be "good couples" from a romantic standpoint; they still reside together and share lives. But to take control of the family's future, both women opted for separate finances. There are several ways to accomplish this (ideally getting it done with lawyers), but one way or another, "time's up" if one of the partners is feeling betrayed financially.

2. Pay a bit more for expert advice!

When it comes to finances, I couldn't agree more with that old Ben Franklin proverb, "An ounce of prevention is worth a pound of cure." In other words, it's easier to stop something from happening in the first place than to repair the damage after it has happened. I have found from my Portfolio Confidential Zoom conversations that many people are reluctant to pay for expert advice because it seems too expensive.

For example, I've seen more than a few cases where a spouse opts for a cheaper "generalist" lawyer to negotiate a separation agreement, but they end up paying spousal support for life even after their former spouse remarries! In retrospect, wouldn't it have made more financial sense to pay the extra $400 per hour to work with an actual expert in family law? In my experience, real expert advice always pays off!

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