

ARNO CAPITAL

# Case Studies

Arno Capital - Strategic Finance Solutions

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The bridge to your business growth.

# 01

## Forensic Oversight & Proxy Representation

5-Year Performance Audit · Latin American Senior Housing Portfolio

### CLIENT PROFILE

## Swiss-Based Multi-Family Office

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### THE CONTEXT: THE "FOG OF SUCCESS"

A sophisticated Family Office in Switzerland held a significant equity position in a premier senior housing development in Latin America. On the surface, the investment appeared healthy due to the region's appreciating real estate market. However, from 5,000 miles away, the Principals faced a common "Alternative" dilemma: they were receiving aggregated, high-level reports from the local operator that lacked granular operational data.

The Swiss team could not verify if the returns were a result of the operator's skill (Alpha) or simply the rising tide of the local property market (Beta). Furthermore, language barriers and differing accounting standards made it impossible to integrate the asset's true performance into their consolidated global reporting.

# Active Proxy & Forensic Analysis

Arno Capital was engaged to act as the "eyes and ears" for the Family Office. Our intervention went beyond traditional accounting, involving deep-level operational participation:

## Board-Level Proxy Representation

Arno leadership traveled to the asset location to attend Board of Directors meetings on behalf of the Swiss Principals. Serving as their formal proxy, we challenged the local management team on operational KPIs, occupancy trends, and capital expenditure (CapEx) allocations.

## 5-Year Forensic Reconciliation

We conducted a ground-up audit of the 5-year investment lifespan, reconciling bank statements against property management ledgers. We identified significant "cost leakages" in the operational budget that had been masked for years by the asset's underlying land appreciation.

## Value Attribution Modeling

We mathematically separated market-driven appreciation from operationally-driven cash flow. This revealed that the manager's "Alpha" was actually negative; the asset was thriving despite the property management, not because of it.

## Institutional Benchmarking

We contextualized the findings by benchmarking the asset's performance against global Senior Housing REITs and peer-group private equity funds.

# From Ambiguity to Actionable Intelligence

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The result of our engagement was a comprehensive **Strategic Asset Briefing** delivered to the Principals in Switzerland. We provided:

## Standardized Capital Statement

A clear, Addepar-ready statement reflecting the asset's true Net Asset Value (NAV) and unrealized appreciation, allowing for immediate integration into their total wealth view.

## Operational Verification

A detailed report on the Board proceedings, identifying specific management inefficiencies and providing the data required to restructure the local operator's contract.

## Informed Decision Making

Armed with verified performance metrics rather than anecdotal reports, the Principals were able to make high-conviction decisions regarding future allocations and their long-term exit strategy for the Latin American market.

*"We didn't just give them a report; we gave them their seat at the table back."*

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# Let's Build With Intent.

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*Arno Capital, the bridge to your business growth.*

Mexico · Spain · United States

