

The State of the Family Office

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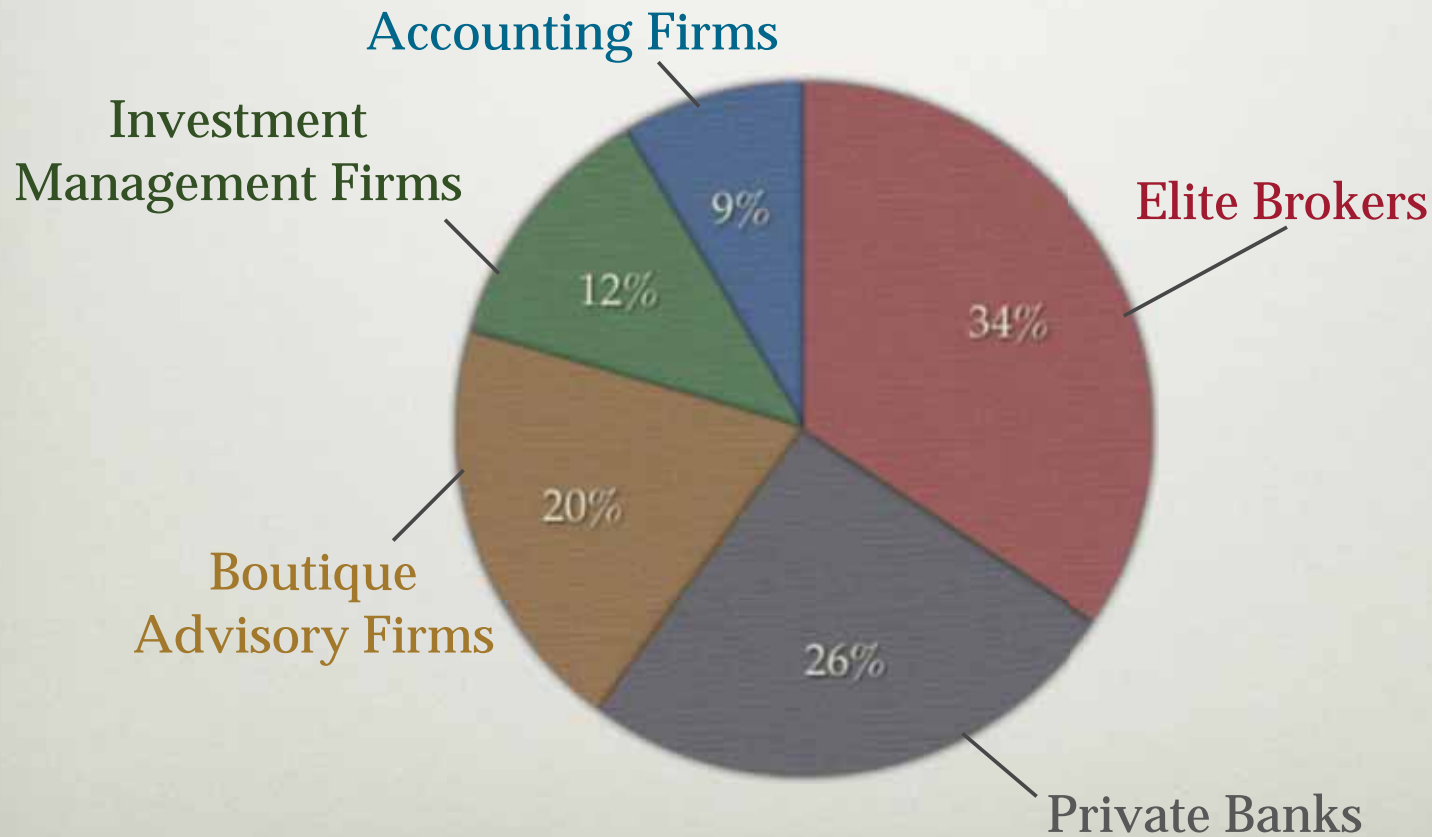
Creating a Multi-Family Office Practice
June 20, 2011

2004-2005

Three Types of Entities

Type	Structure	Range of Wealth
Commercial Family Office	For profit business, services offered on a third-party basis	\$13M-\$812M
Multi-family Office	Anchor family with >30% of assets and satellite families	\$64M- \$720M
Single-family Office	One extended family unit	\$281M-\$1.6B

Commercial Family Offices



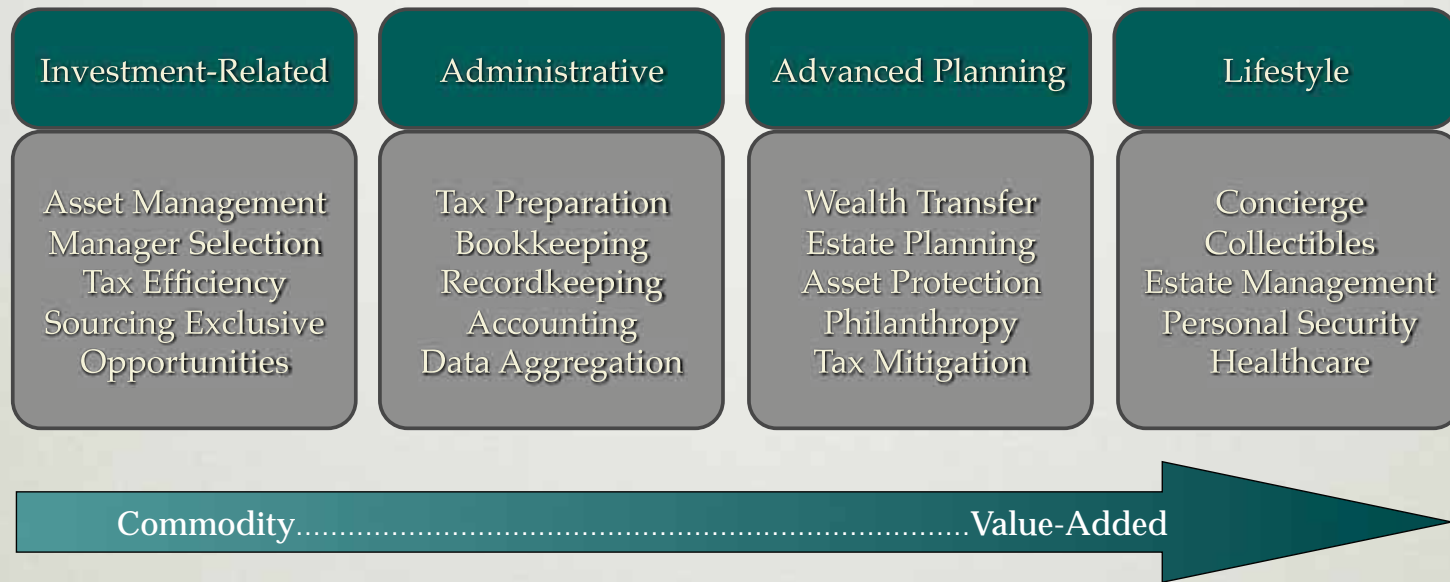
Source: *Inside the Family Office: Managing the Fortunes of the Exceptionally Wealthy*

Elite Brokers

Executive Directors



Platform of Services



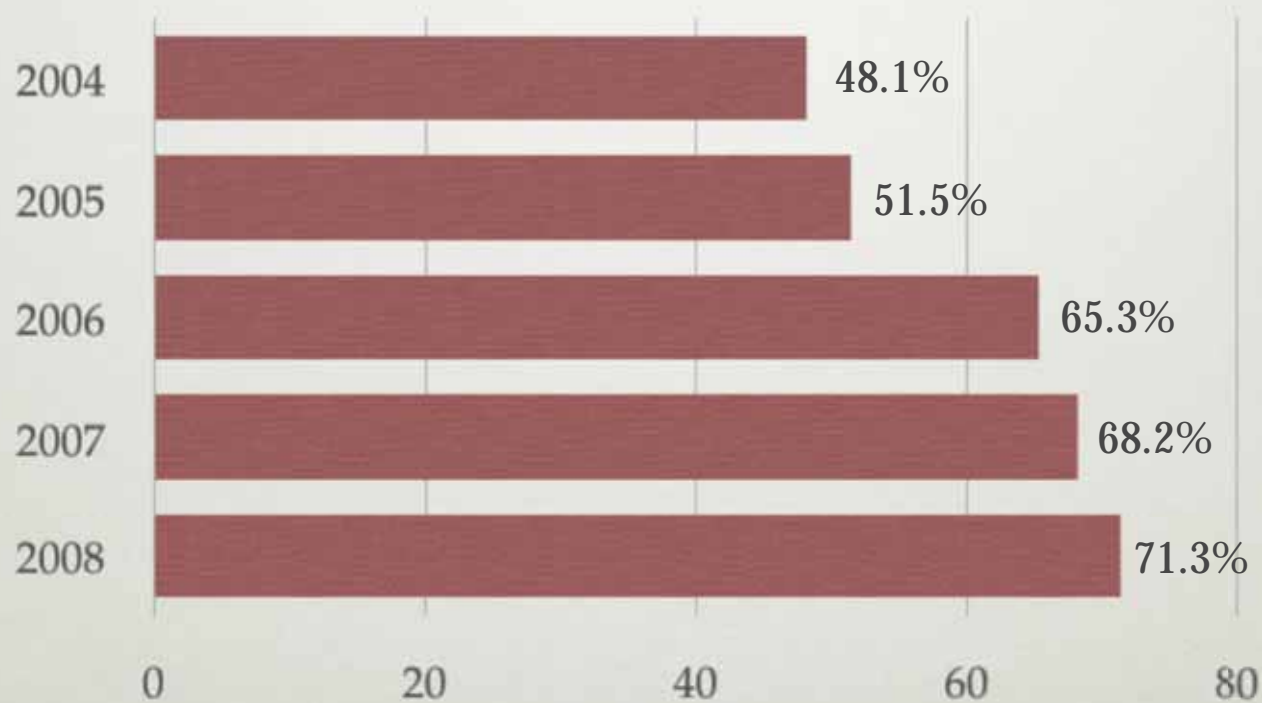
2007-2008

Use & Interest in FOs

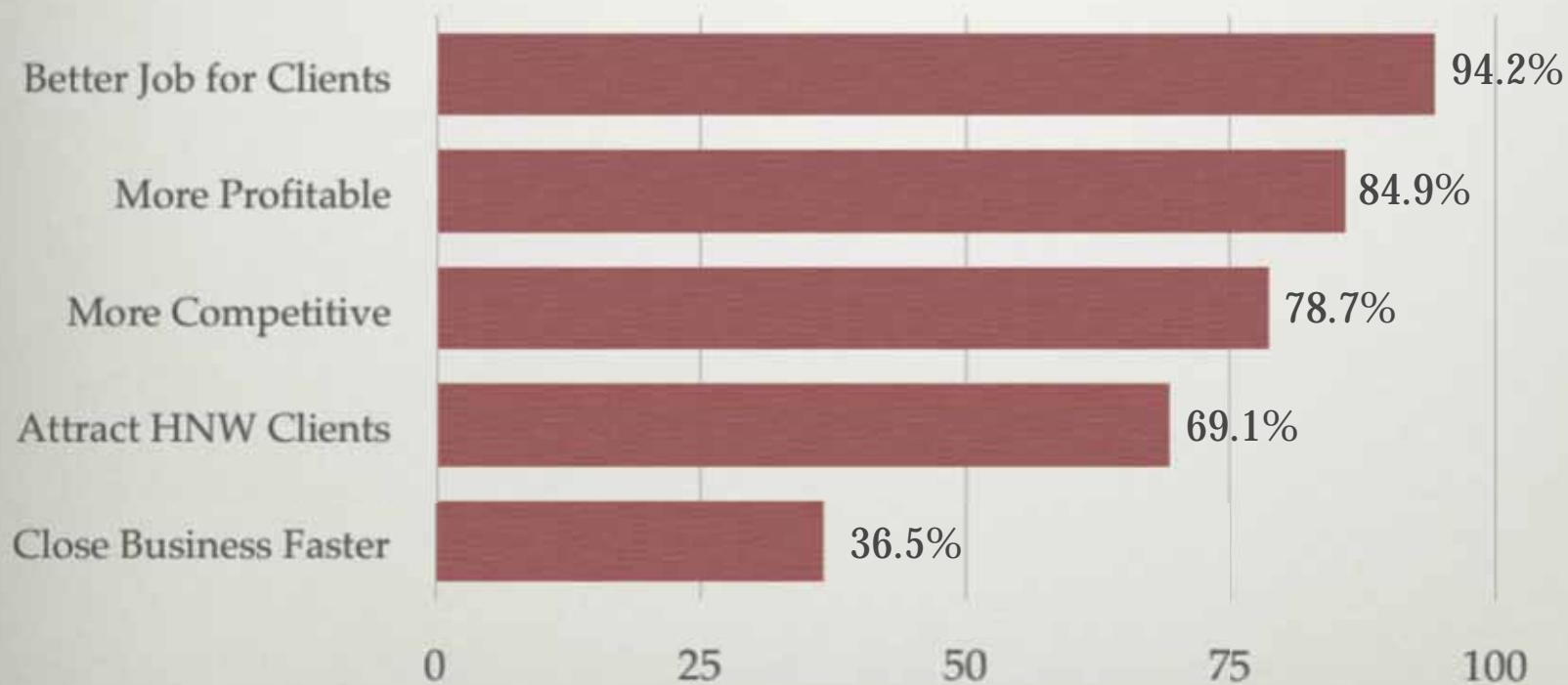


Source: *The Sky's the Limit: Marketing Luxury to the New Jet Set*

Advisory Firms Planning to Reposition as MFO



Motivations to Reposition



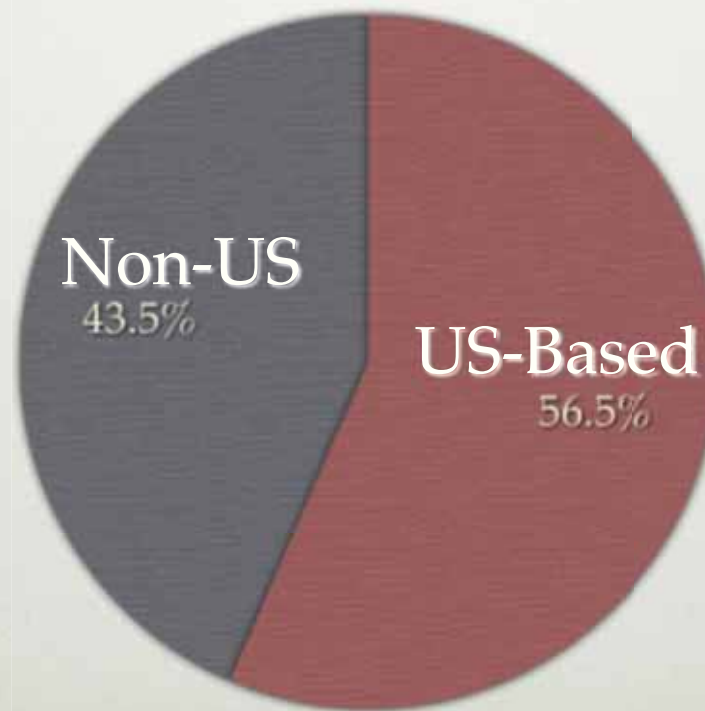
Source: *The Multi-family Office Solution*, N=638

2009-2010

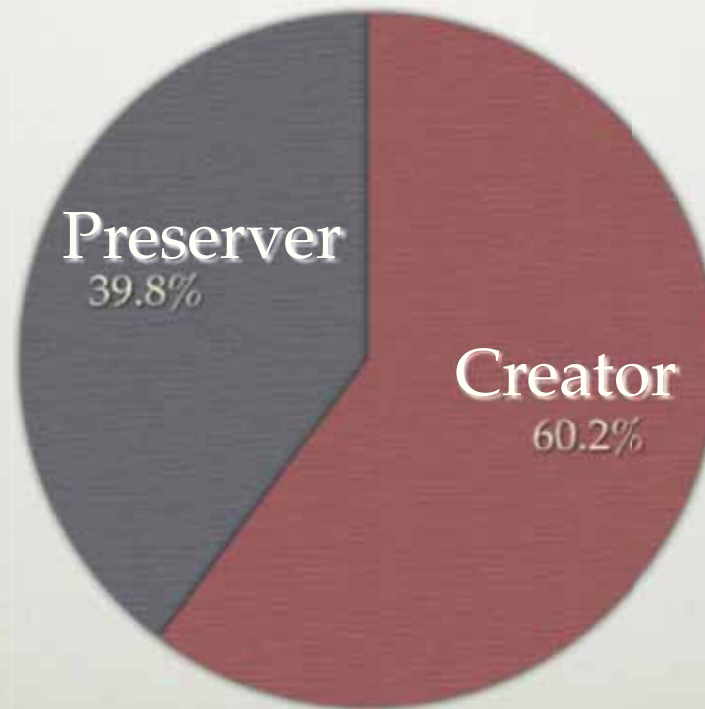
Types



Domicile



Orientation to Wealth



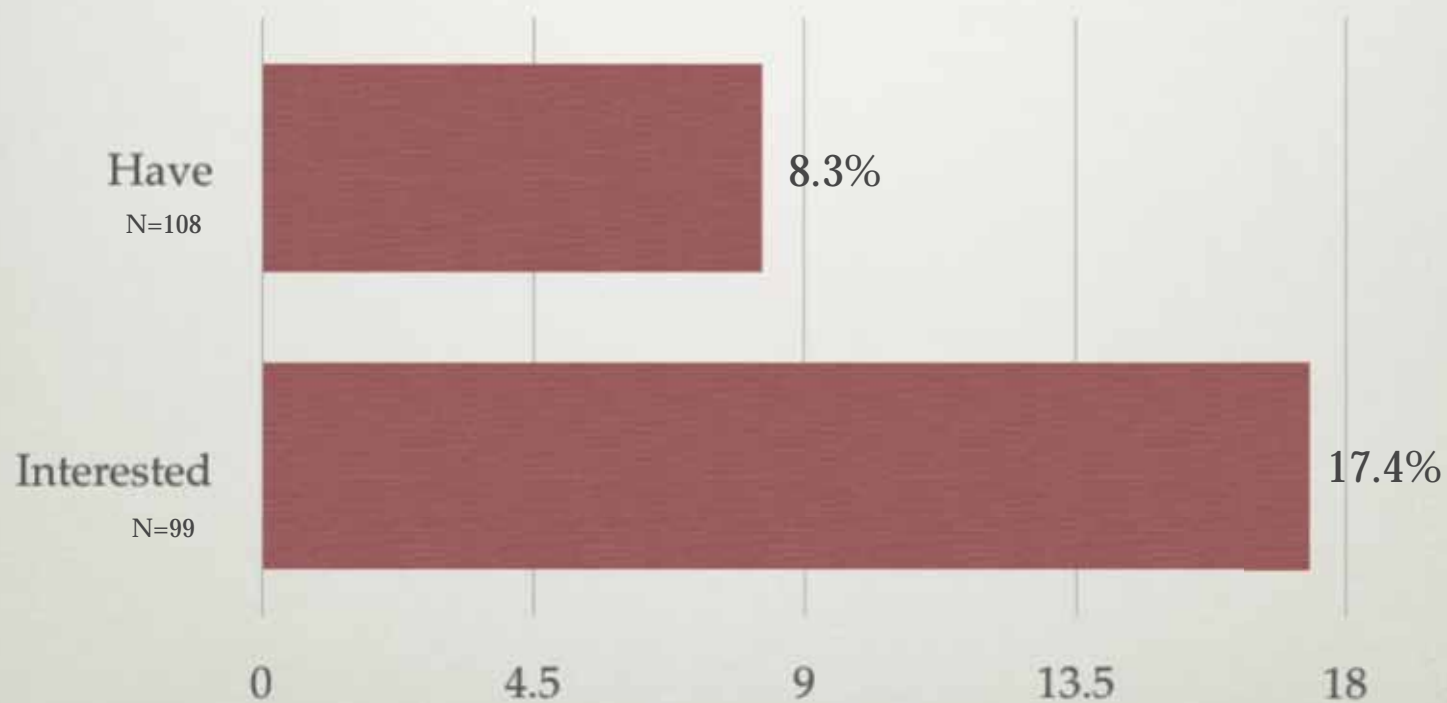
Source: *The Family Office: Advising the Financial Elite*, N=903

Anticipate Working With An MFO

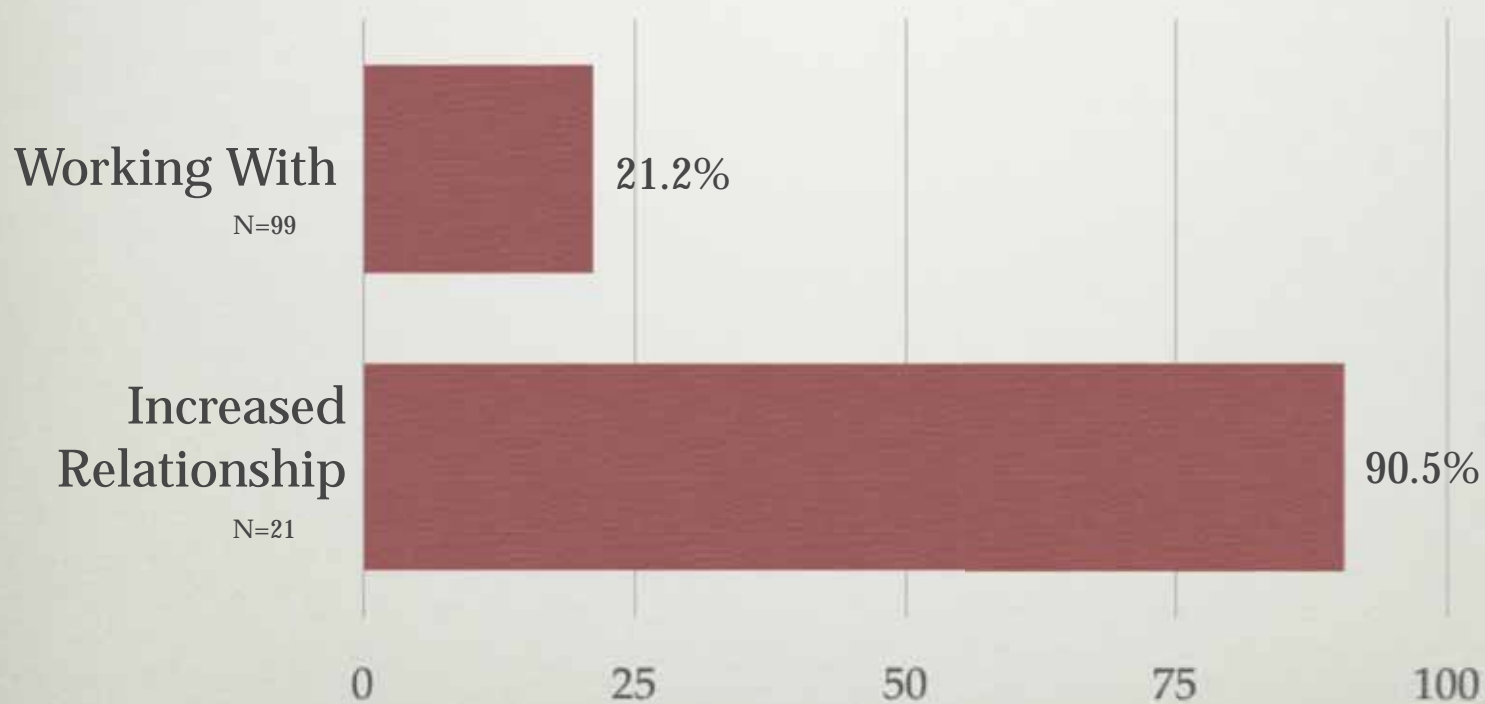


Source: *The Family Office: Advising the Financial Elite*, N=78

SFOs Have Appeal for an Exclusive Group



MFOs Have Broadened in Appeal Among Clients



Source: *The Family Office: Advising the Financial Elite*

Wealth of SFOs



Source: *The Family Office: Advising the Financial Elite*

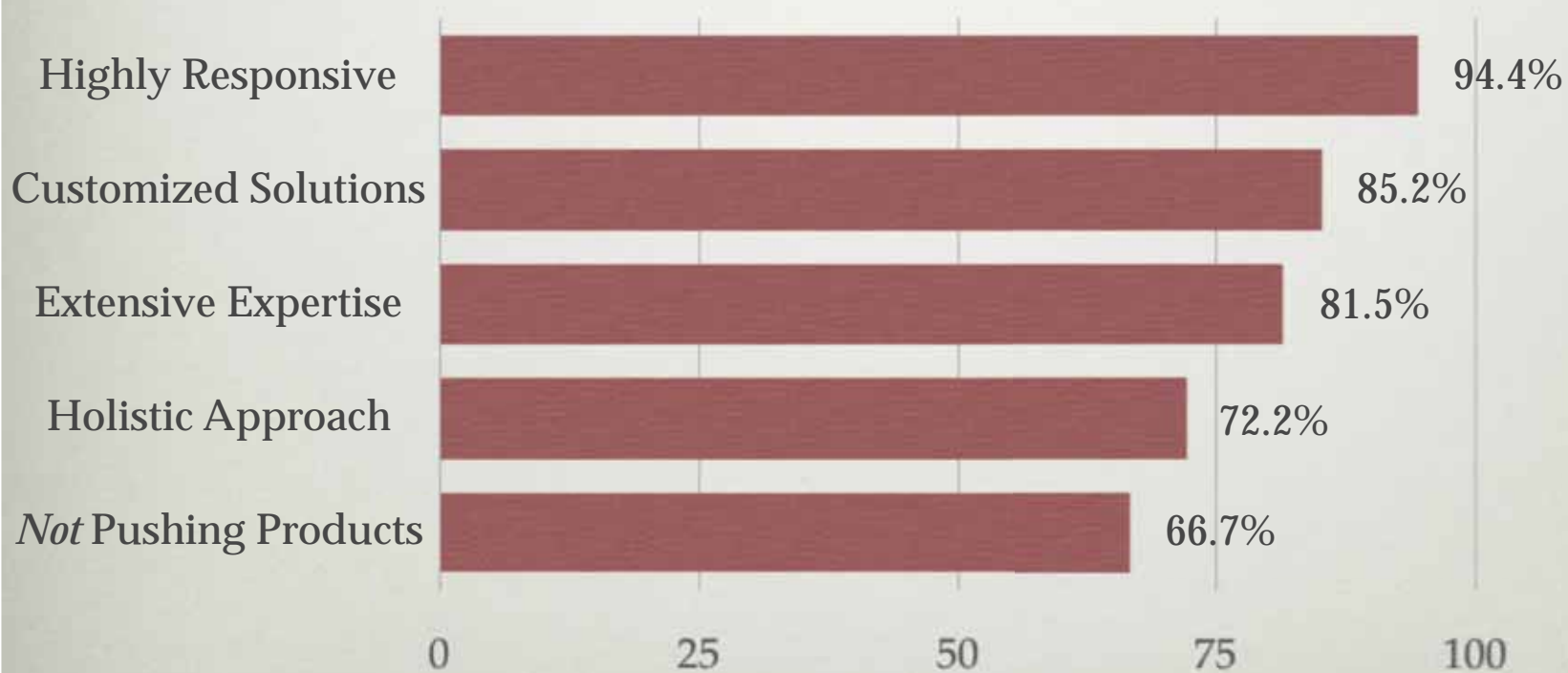
Client Wealth of MFOs



Source: *The Family Office: Advising the Financial Elite*, N=527

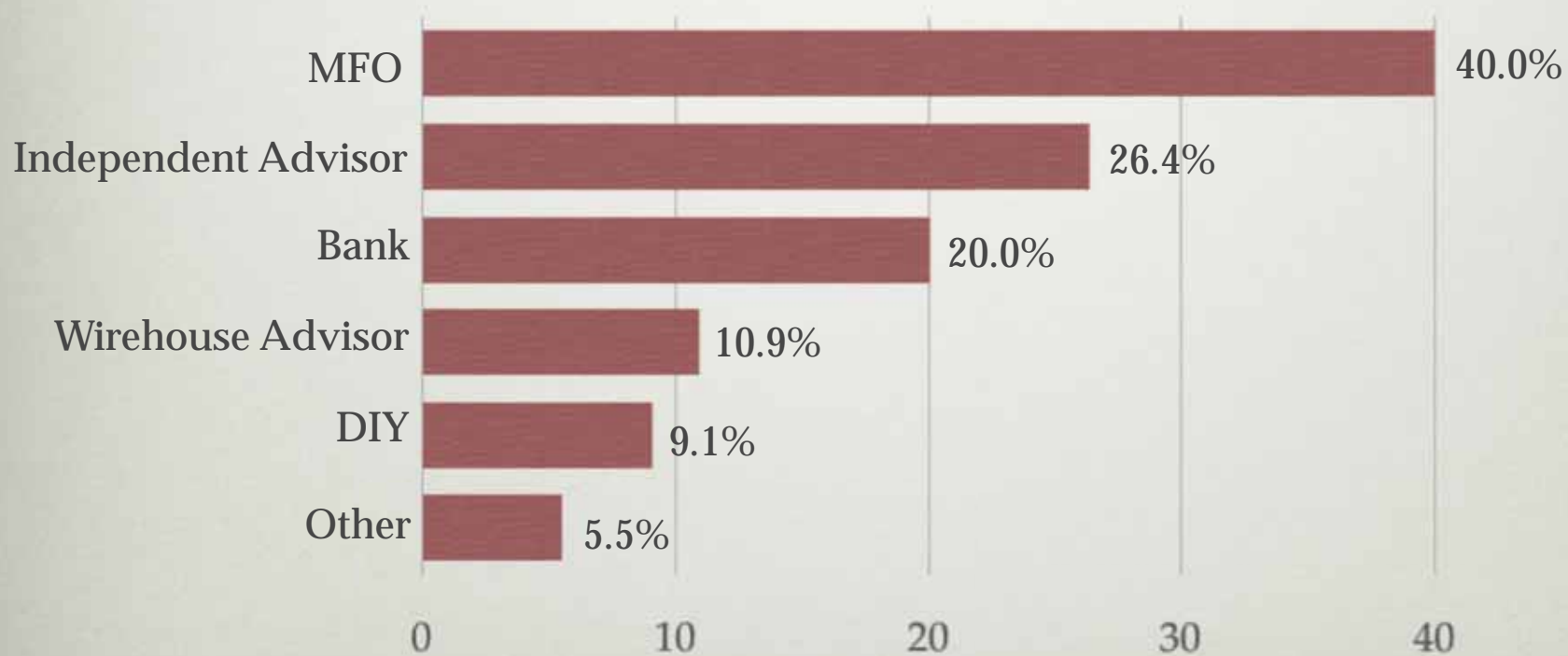
The Migration

What's the Appeal of the MFO?



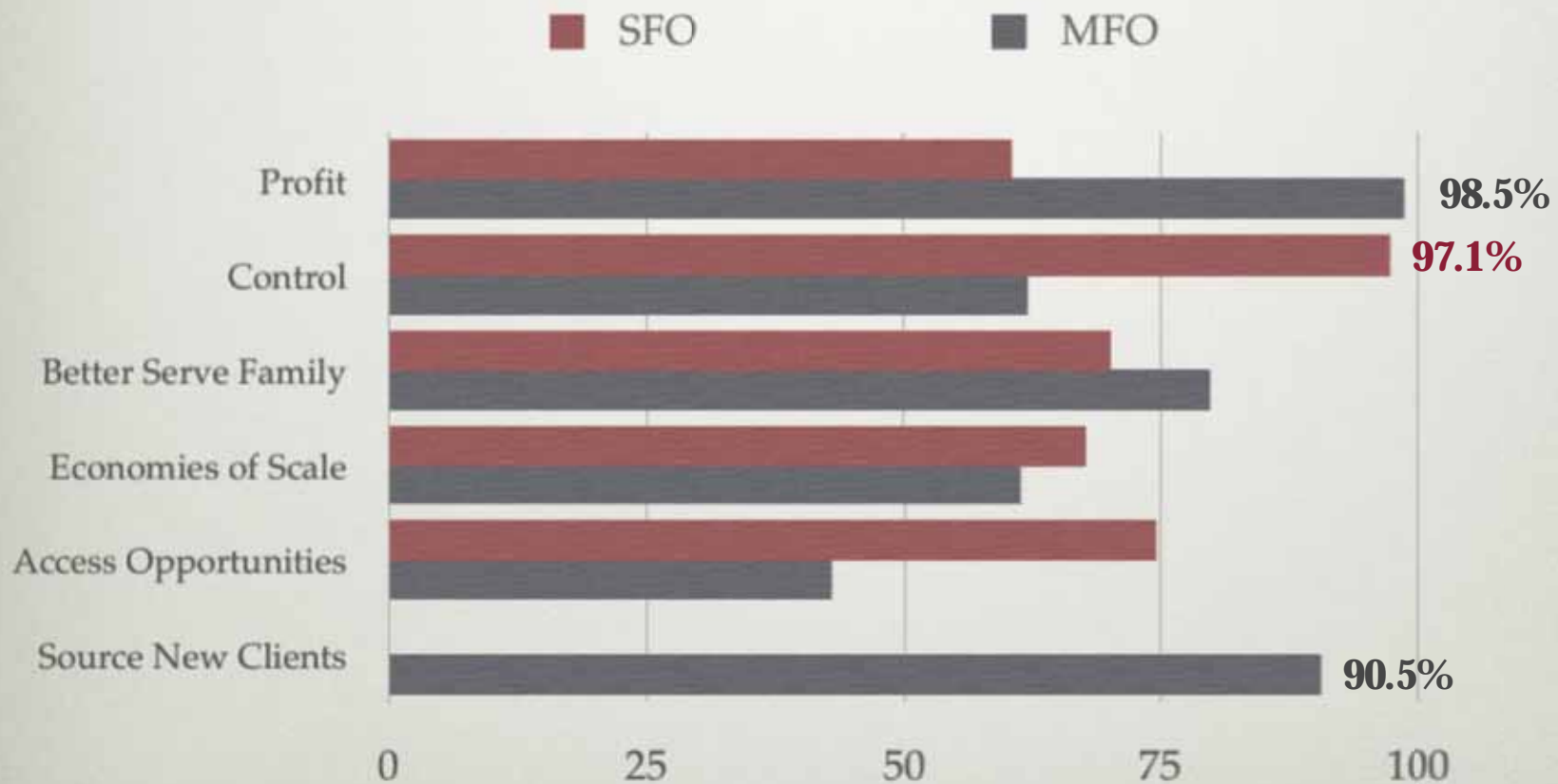
Source: *The Family Office: Advising the Financial Elite*, N=54

HNW Assets are Moving Toward MFOs



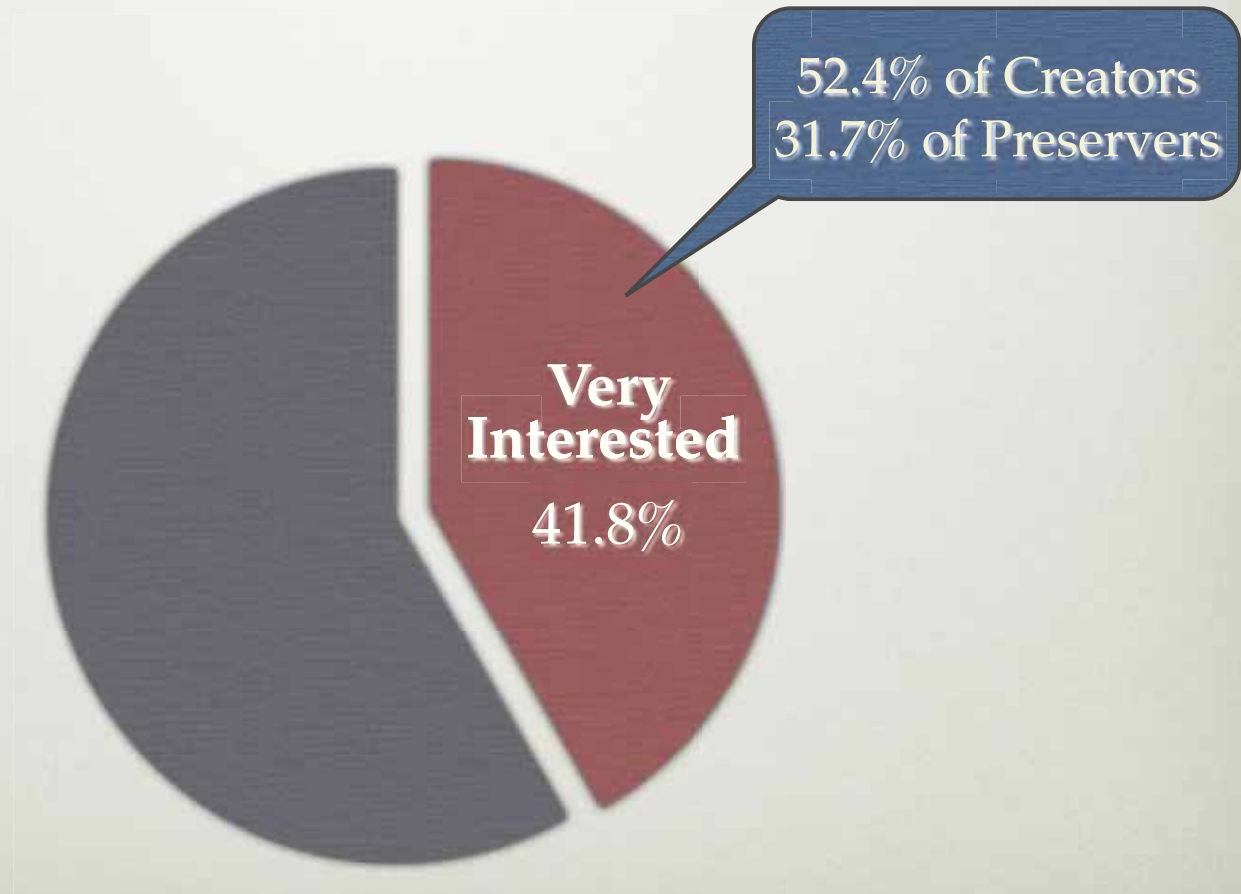
Source: *The Family Office: Advising the Financial Elite*, N=110

Motivations to Create a Family Office

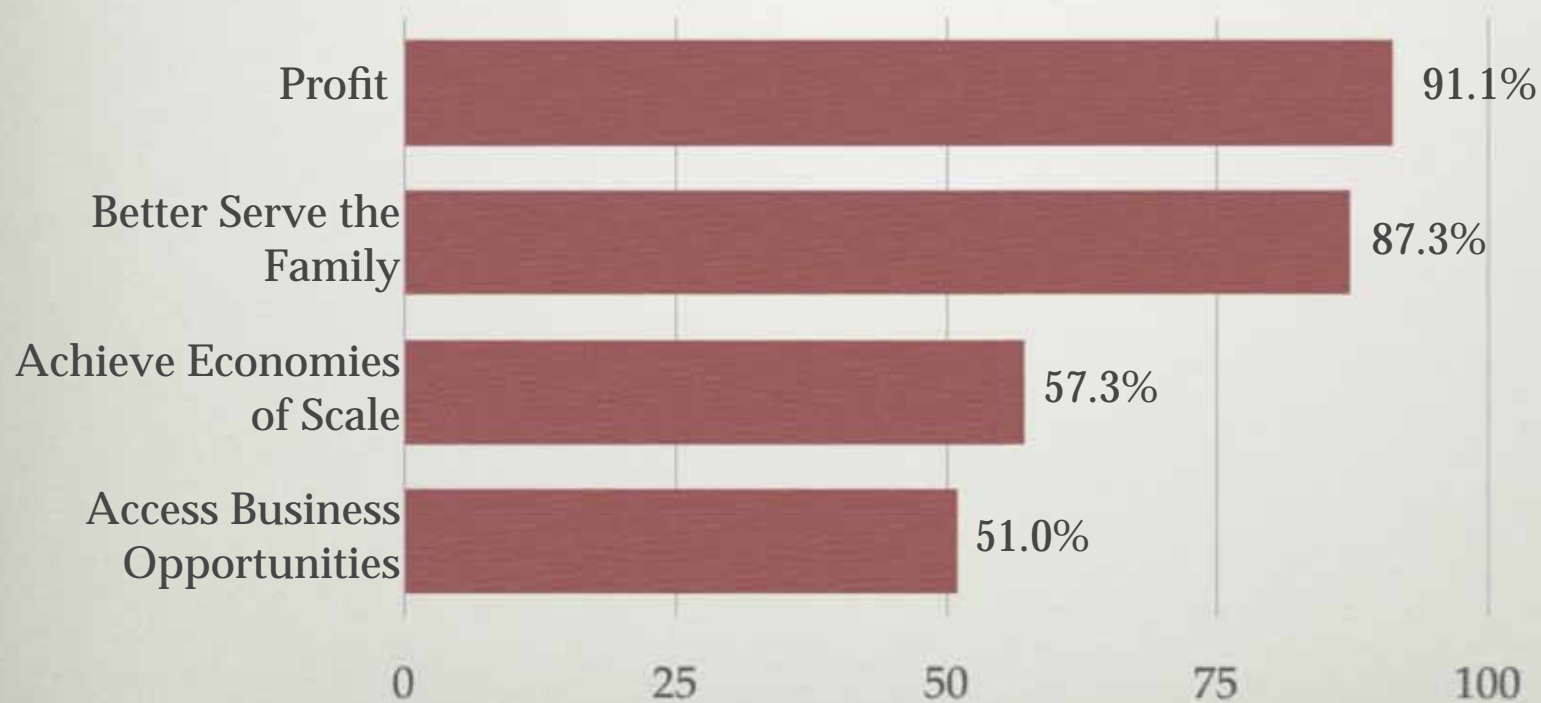


Source: *The Family Office: Advising the Financial Elite*, N=903

SFOs are Migrating Toward MFOs



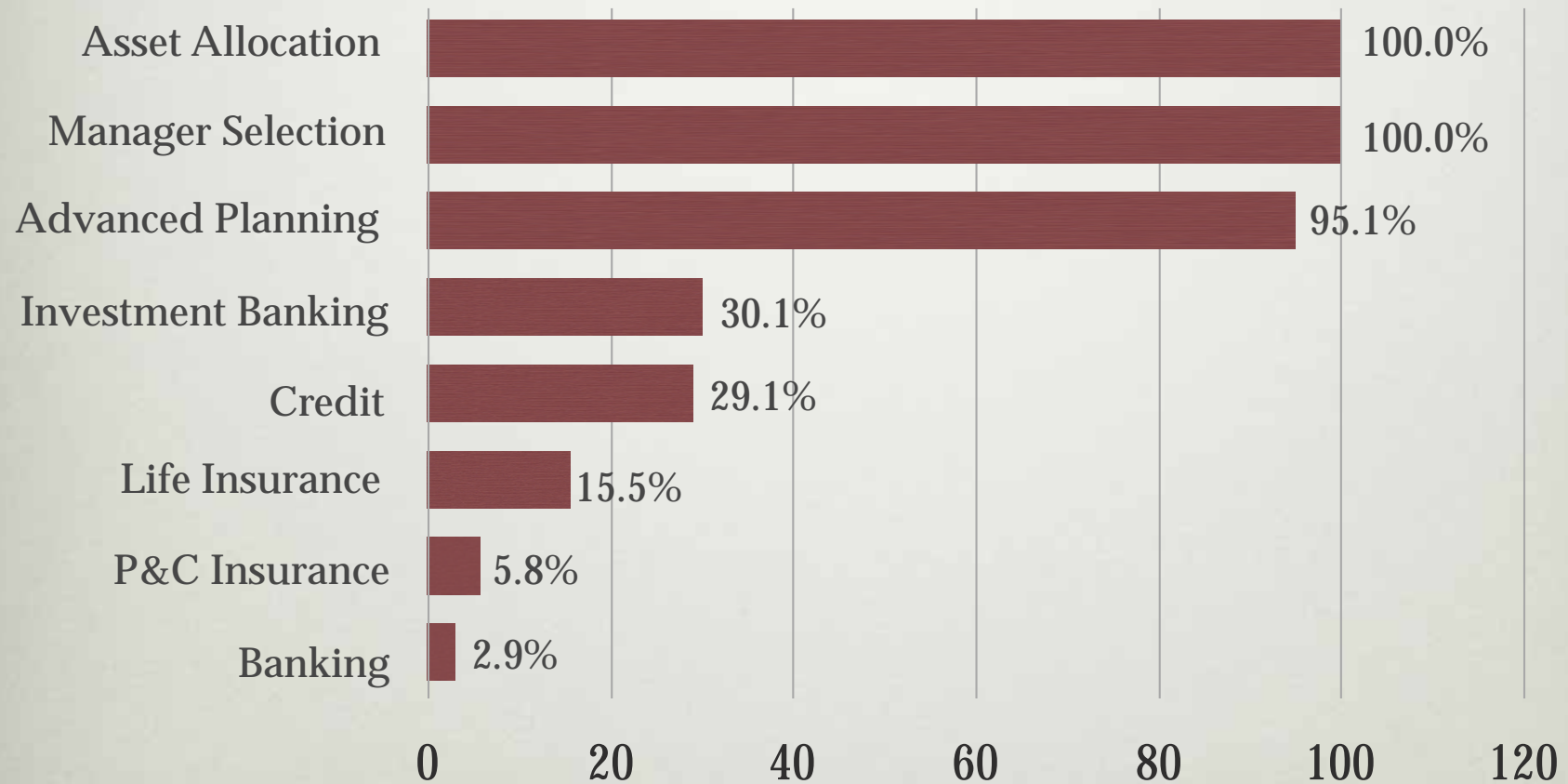
What's the Appeal of an MFO for an SFO?



Source: *The Family Office: Advising the Financial Elite*, N=157

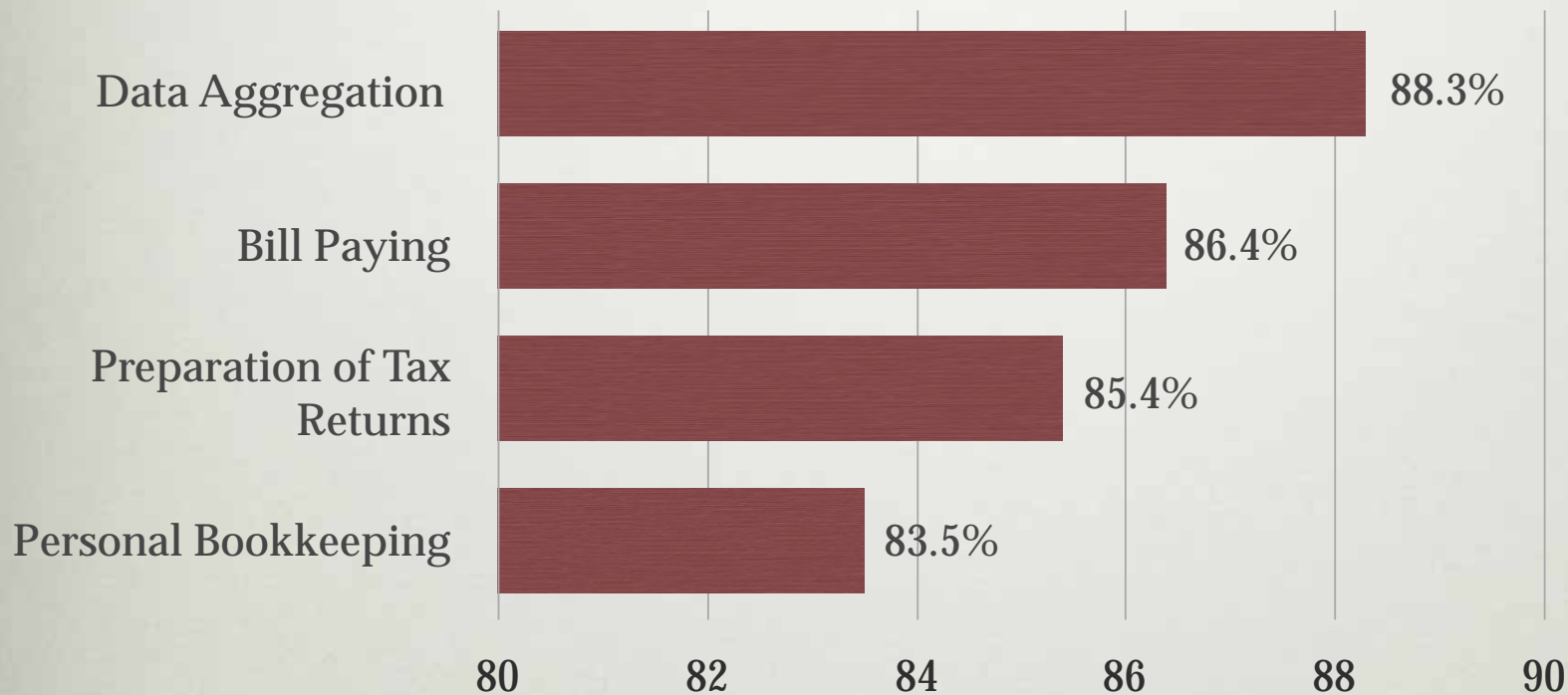
The Platform

Financial Services



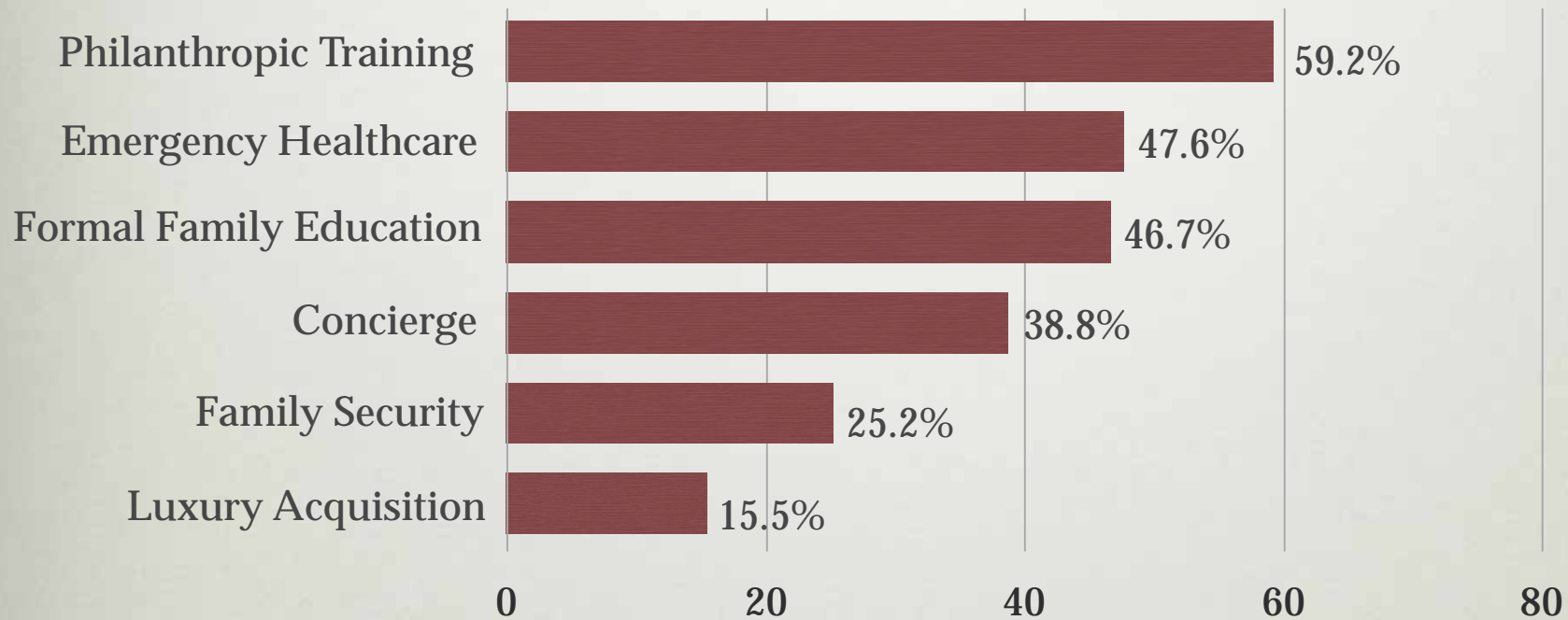
Source: *The Multifamily Office Solution*, N=103

Administrative Services

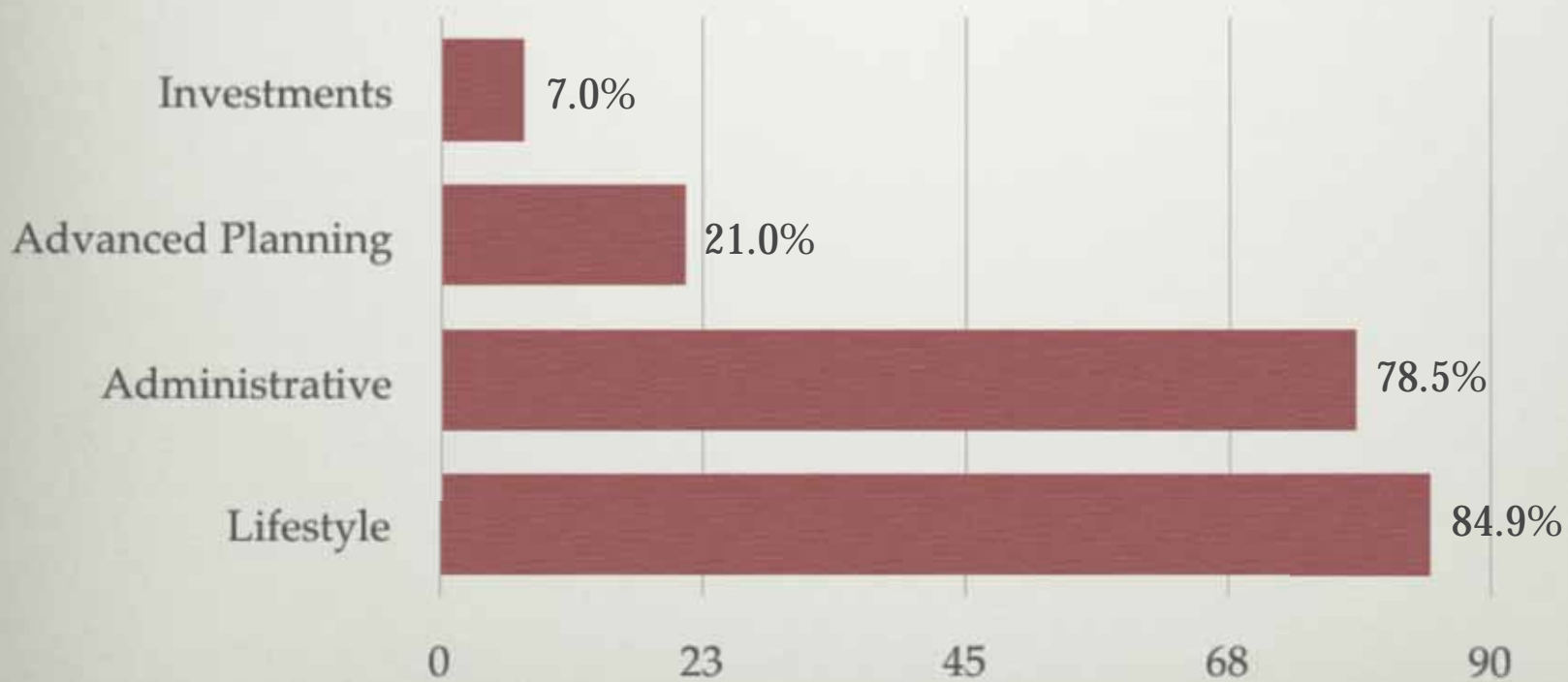


Source: *The Multifamily Office Solution*, N=103

Lifestyle Services



Reengineering & Outsourcing



Source: *The Changing of the Guard*, N=153

Food for Thought

- Family office style servicing appeals to both clients and providers
- Migration from single-family entities to multifamily and commercial family offices is increasing
- Majority of family offices are still oriented around investment capabilities
- Outsourcing of non-investment services is on the rise due to technology and infrastructure complexities
- A consultative approach is mandatory and differentiating
- Third-party providers of family office services must balance customization and control