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THE EUROPEAN FAMILY OFFICE REPORT 2023

In Partnership with

HSBC Global Private Banking

This document has been prepared by Campden Wealth Limited.

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Dear reader,

Describing 2022 as a challenging year would be an understatement, with global conflicts, rising inflation, and volatile financial markets creating unprecedented hurdles for businesses and investors.

How did European family offices navigate these difficulties? Surprisingly well. Our survey uncovered that over half of European family offices reported an increase in assets under management, with 16 percent noting a significant rise. This resilience is attributed to the proactive strategies adopted by around 80 percent of family offices, adjusting their investment portfolios to more conservative approaches. It reinforces the image of family offices as adaptable and resilient entities. Additionally, a commendable two-thirds of European family offices actively engage in sustainable investing and make generous philanthropic donations.

While investments are a primary concern, family offices grapple with diverse issues, including operational risk, technology, governance, and succession planning. Cybersecurity remains paramount, but it's heartening that nearly half of the participating family offices believe their countermeasures are robust. Concerns about technology upgrades and manual processes persist, but the increasing availability of advanced wealth aggregation platforms offers potential solutions. We hope the insights shared by participating family offices prove valuable to the broader wealth community.

For the first time, we delved into respondents' satisfaction levels with various aspects of their family offices' operations. A notable percentage expressed contentment with investment options, dedicated staff, and complex activity management. However, there's room for improvement, especially in areas like succession planning and next-generation education.

In the ever-evolving family office community, the exchange of information and shared learning are paramount. This motivates our publication of the tenth global family office report. I extend sincere thanks to all who contributed to this research, and special appreciation to our partner, HSBC Global Private Banking, for their commitment to our research and the broader community.

Warm regards,

Dominic Samuelson
Chief Executive Officer
Campden Wealth

Executive summary

This report, which is accompanied by the North American and Asia-Pacific editions, is based on a statistical analysis of 330 survey responses from single family offices and private (not commercial) multi-family offices worldwide. Of these, 102 were located in Europe. The survey was conducted between April and September 2023.

On average, European families participating in the survey had total wealth (including operating businesses) of US $1.7 billion, and their collective wealth stood at US $177 billion. Their family offices had, on average, US $0.9 billion of assets under management (AUM), while aggregate AUM stood at US $91 billion.

Across all three geographies covered in our global report, total family office AUM is estimated at US $269 billion.

Investment performance

Despite the disappointing performance of financial markets throughout 2022, European family offices fared surprisingly well. Although a third of family offices reported a reduction in AUM, 53 percent reported an increase, with 16 percent reporting an increase of more than 10 percent. Likewise, when asked how their investment portfolio performed relative to benchmark, 40 percent of respondents reported that it had outperformed compared to 24 percent who indicated underperformance.

Financial risk

The risks that family offices believed most likely to crystallise in 2023 were persistent high inflation and a U.S. recession. The latter certainly crystallised and has been the defining characteristic of financial markets this year, although to date it hasn't resulted in a U.S. recession.

Private markets

A key feature of family office investment in recent years has been an ever-increasing allocation to private markets. This now constitutes 28 percent of AUM and is the largest asset class alongside equities. Family offices still expect private equity and venture capital to supply the best long-term returns despite relatively disappointing outcomes last year. Going forward, a net 28 percent of family offices intend to increase their allocation to direct private equity and a net 21 percent to venture capital and real estate.

Bonds and equities in demand

Both developed market bonds and equities are considered attractive options for future investment. This suggests that family offices believe that as inflation recedes, the Fed and European monetary authorities will commence a cycle of interest rate reductions.

Technology

Wealth aggregation platforms, which can provide an overview of an organisation's financial position by consolidating data from multiple banks and investment managers, are relatively new additions to the family office armoury. The level of adoption is still relatively low (38 percent) but can be expected to rise rapidly, given the percentage of family offices keen to take advantage of these platforms.

US $177 billion

Collective wealth of participating families

US $0.9 billion

Average AUM of participating family office

Operational risk

Cybersecurity is a top concern among family offices, yet nearly half of them (48 percent) are not overly worried due to their confidence in the strength of their internal controls and protocols. Beyond cybersecurity, family offices are increasingly concerned about their rising tax, regulatory, and compliance burden. The complexity of cross-border taxation, especially with the impact of digitalisation and remote working, is making compliance more challenging.

Governance

Family offices see their top priority as determining investment policy and managing investment risk. An investment committee is the prevalent governance structure found in 85 percent of European family offices. Frequently, families also have one or two other governance structures such as a family office board or a family council. Strategic investment guidelines and a mission statement are the most common documentation supporting family office governance.

Succession planning

According to respondents, the most critical factor for successful succession planning is to start early, introducing next-gens to family values (92 percent). But it's also imperative that the existing family leadership embrace the issue (88 percent). Other challenges to succession planning include next-generation members being too young to plan for their future roles or insufficiently qualified to assume control.

Philanthropy

Almost two-thirds of European family offices make philanthropic donations. Half the families making donations give more than US $1 million. Donations focus on providing solutions to long-term challenges in education (69 percent), healthcare (47 percent) and community development (44 percent).

Satisfaction

More than 70 percent of respondents expressed satisfaction with their family offices' investment options, dedicated staff, and capacity to handle complex activities. Family offices are also perceived as proficient at handling privacy issues (69 percent) and estate and tax planning (65 percent), while offering value for money (67 percent).

1. Family office landscape

1. Family office landscape

1.1 Introduction

"The most important investment you can make is in yourself."

Warren Buffett

After a challenging year in 2022, investors were understandably cautious regarding the prospects for the current year. The degree the Fed would tighten monetary policy to address rising inflation remained uncertain, and the possibility of a U.S. recession was too close to call. Stagflation, characterised by below-average growth and persistently high inflation, appeared to be the most likely scenario on the horizon.

As we transitioned into 2023, this prognosis has proven to be fairly accurate. Furthermore, the Fed's tightening measures have been notably more aggressive than initially expected. Surprisingly, despite this economic backdrop, the performance of financial markets has largely defied expectations. As at the end of the third quarter, the S&P 500 has risen by 12 percent and NASDAQ has surged by nearly a quarter. The explanation can, in part, be attributed to the curtailment of U.S. inflation. At the beginning of the year, it stood at six percent but has subsequently halved. It's still above the Fed's two percent target, but the notion that interest rates might now be nearing their peak no longer appears entirely far-fetched.

It's a similar picture in Europe. Here the inflation rate has also halved (to around five percent) and markets have performed reasonably well. At the end of the third quarter CAC 40, the DAX and EUROSTOXX 50 were all up 10 percent (flatlining FTSE100 was the outlier).

It seems that European family offices are anticipating a move by the Fed to lower interest rates in response to lower inflation, which they believe will benefit both bonds and equities. As a result, a significant percentage of them are planning to increase their allocations to developed market bonds and equities. Looking ahead, many family offices are also considering directing their surplus cash into direct private equity, venture capital, and real estate, with more than one-fifth expressing an intention to increase their allocations to these asset classes.

Family offices are actively engaging with exciting, emerging businesses through their private equity portfolios. This is particularly evident in sectors such as healthcare, fintech, and data centres, where 60 percent or more of family offices have investments. Artificial intelligence is also gaining substantial attention, with a net 38 percent of family offices looking to increase their involvement in this field. This reflects their interest in cutting-edge technologies and their willingness to explore new investment opportunities.

We estimate that operational costs of European family offices averaged US $4.4 million in 2022, or 50 bps of AUM. This represents a 17 bps reduction on the prior year, demonstrating the flexibility of family office costs in the face of challenging financial markets. This cost reduction extended to both basic remuneration and bonuses across the management hierarchy. This trend may, in part, have been facilitated by the significant presence of family members in senior management roles.

Cybersecurity is the top concern for family offices, cited by 51 percent of respondents. Concerningly, 11 percent reported experiencing a cyber-attack in the past 24 months, but fortunately, no family office recorded a significant financial loss from these incidents. Following cyber-attacks, the growing tax, regulation, and compliance burden is a concern for 38 percent of families, reflecting the increasing complexity and challenges associated with these areas.

European family offices are keen to embrace technological solutions to improve efficiency and security and eliminate error. Surprisingly, a significant percentage of family offices that do not currently use certain technologies, notably customisable accounting software and automated investment reporting, are interested in using it in the future. Wealth aggregation platforms, which enable family offices to consolidate financial data from multiple sources, are gaining traction.

Our survey and case studies offer valuable insights into how family offices address these multifaceted challenges. Family offices see their top priority as determining investment policy and managing investment risk, followed by communication with family members. This emphasis on investment is reflected in the prevalence of investment committees in 85 percent of European family offices. However, family councils, which can play key roles in the communication and governance of family offices, are less common.

In addition, for the first time, we sought feedback from survey participants regarding their satisfaction with various attributes of their family office. High levels of satisfaction were reported for investment options, dedicated staff, and capacity to handle complex transactions. Additionally, two-thirds of respondents believe that their family office offers value for money.

Methodology

This report, accompanied by North American and Asia-Pacific editions, aims to deliver an exhaustive analysis of the global family office landscape.

The quantitative components of this research are gleaned from a comprehensive survey conducted between April and September 2023, encompassing 330 single family offices and private (not commercial) multi-family offices. Within this cohort, 102 offices were situated in Europe. To augment our insights, the qualitative aspects are drawn from interviews conducted with 31 family office executives world-wide, including 11 from Europe. In certain instances, quantitative findings from European family offices are juxtaposed with a global average, which is comprised of aggregated data from Asia-Pacific, Europe, and North America.

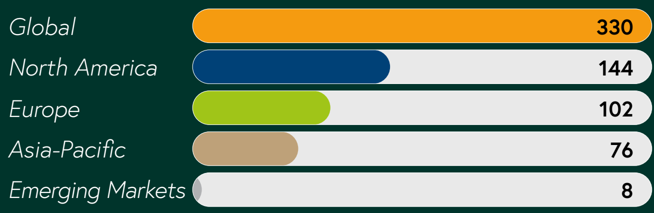
1.2 Overview of participants

A total of 102 family members and family office executives actively participated in the survey.

Figure 1.0: *Europe: location of family offices*

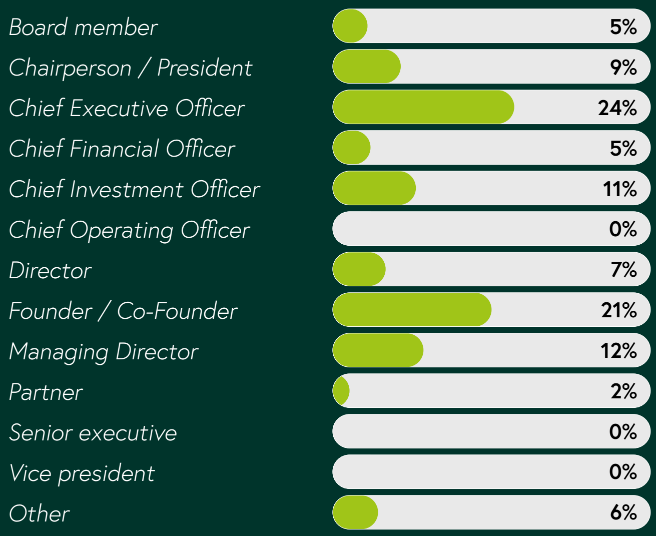
Andorra	**1%**
Belgium	**2%**
Cyprus	**1%**
Czech Republic	**1%**
Finland	**2%**
France	**4%**
Germany	**4%**
Gibraltar	**1%**
Greece	**2%**
Hungary	**1%**
Italy	**6%**
Liechtenstein	**1%**
Luxembourg	**4%**
Monaco	**3%**
Netherlands	**1%**
Norway	**4%**
Spain	**15%**
Switzerland	**18%**
Turkey	**3%**
United Kingdom	**28%**

Figure 1.1: *Participating family offices by number and geography*



Source: Campden Wealth, The European Family Office Report, 2023

Figure 1.2: *Respondents to family office survey by title*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

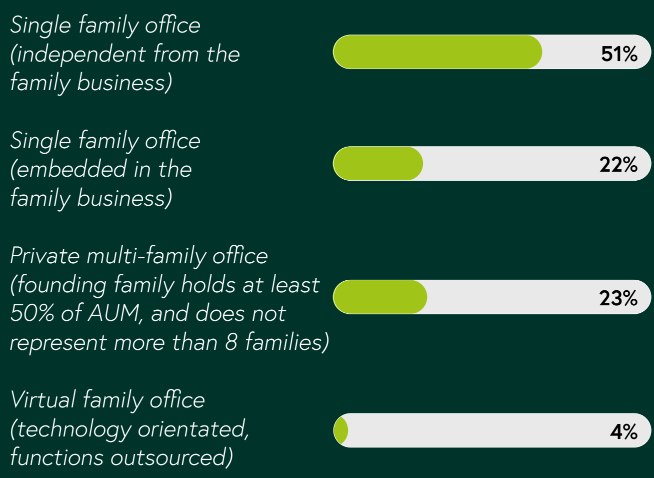
Figure 1.3: *Respondents to family office survey by relationship*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

A total of 102 family members and family office executives actively participated in the survey. Among them, 58 percent were family members, while 54 percent held key leadership positions as chairpersons, chief executives, or founders.

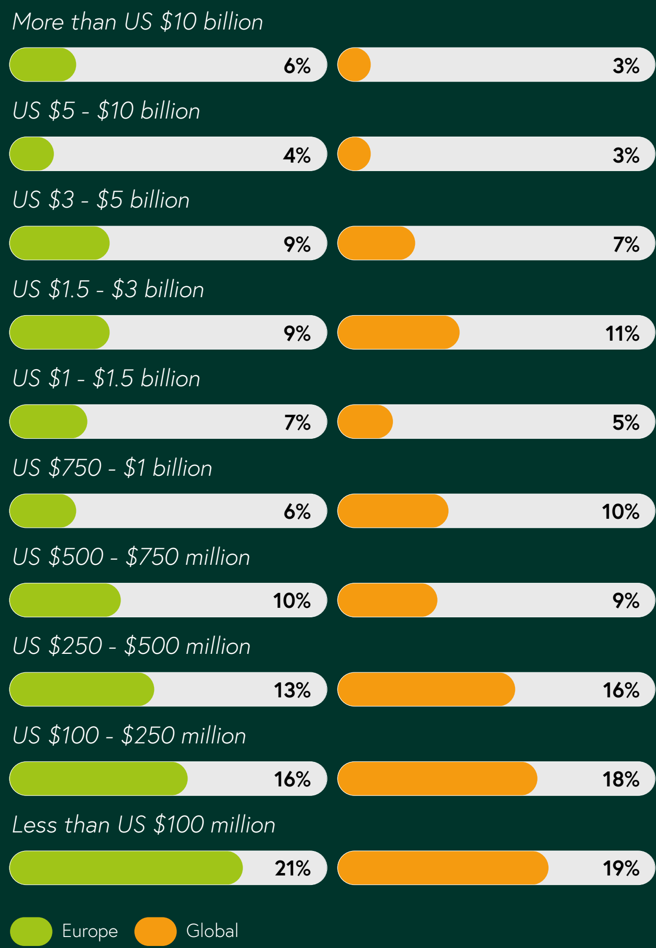
Among the participants, 73 percent were single family offices, either independent from, or embedded in the family business. 35 percent of participating families had total wealth in excess of US $1 billion.

Figure 1.4: *Participating family offices by type*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 1.5: *Wealth distribution of participating families*

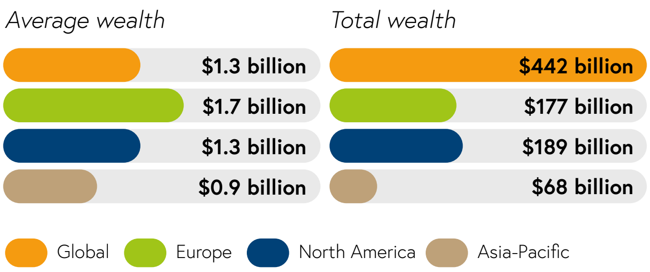


Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Participating European families demonstrated impressive financial stature, with average wealth of US $1.7 billion. Collectively, their combined wealth amounted to a substantial US $177 billion. Correspondingly, their family offices had, on average, US $0.9 billion of assets under management (AUM), and aggregate AUM of US $91 billion.

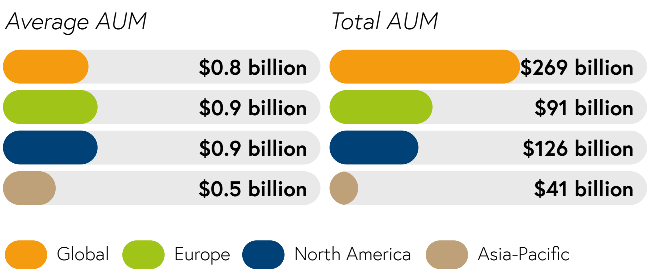
In the context of our comprehensive global report covering three geographical regions, combined family wealth is estimated at US $442 billion, with family office AUM at US $269 billion.

Figure 1.6: *Average and total wealth of families by region, including operating businesses (US$)*



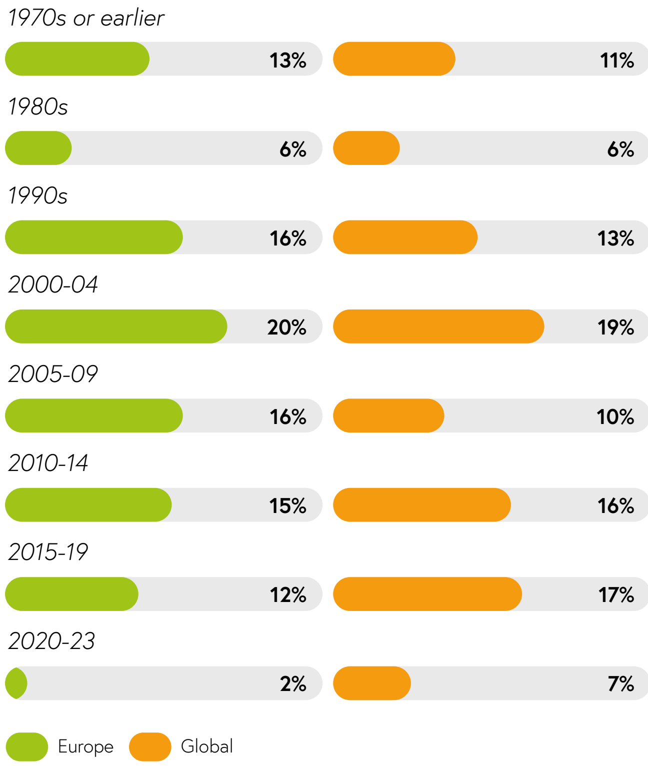
Source: Campden Wealth, The European Family Office Report, 2023

Figure 1.7: *Average and total AUM managed by family offices by region (US$)*



Source: Campden Wealth, The European Family Office Report, 2023

Figure 1.8: *Period when participating family office established*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

2. Investments

2. Investments

Looking back, 2022 was a very difficult year for investors, possibly the most difficult since the Global Financial Crisis. Against this background the investment performance of European family offices was remarkably strong. Although one-third of family offices reported a reduction in AUM, 53 percent reported an increase, with 16 percent of those reporting an increase of more than 10 percent. Furthermore, when asked about the performance of their investment portfolios relative to their overall benchmarks, an impressive 40 percent of respondents indicated that their portfolios had outperformed, in contrast to 24 percent reporting underperformance.

How did family offices manage to achieve this superior investment performance? In part, their success can be attributed to their proactive approach. 80 percent took decisive actions to mitigate the adverse effects of market downturns. The most prevalent strategies involved shortening the duration of fixed income bond portfolios, switching from growth to value equities, and increasing exposure to real estate.

Challenging conditions in financial markets have spurred a shift to more cautious investment strategies. Just two years ago, growth was the predominant investment strategy for 35 percent of European family offices. However, in 2022 this figure declined to 21 percent. This year it has recovered to 30 percent, but it remains lower than the comparable averages for family offices in North America and Asia-Pacific.

The two largest asset classes in European family office portfolios are equities and private markets (private equity, venture capital, and private debt) both averaging 28 percent of AUM. In this allocation they are not radically different from their global peers. Over the course of the year balance sheets became more liquid, with average cash holdings increasing from five to nine percent, and the allocation to real estate increased from 15 to 18 percent.

Going forward, a net 28 percent of family offices intend to increase their allocation to direct private equity and a net 21 percent to venture capital and real estate. Mid-teens percentages of family offices are also viewing developed market bonds and equities as attractive homes for their surplus cash. This inclination suggests that European family offices believe that as U.S. inflation recedes, the Fed will commence a cycle of interest rate reductions.

Through their private equity portfolios, family offices find themselves involved with exciting emerging businesses that harness cutting-edge technologies; healthcare, fintech and data centres have been popular sectors for family office investment and characteristically 60 percent or more of family offices have an exposure. Recently, artificial intelligence has garnered substantial attention, resulting in a net 38 percent of family offices seeking to increase their involvement.

40%

of European family offices outperformed benchmark

80%

of European family offices took action to mitigate market drawdown

28%

of European family offices portfolio allocated to private markets

2.1 2022 recap

A year to forget

From an investment perspective, 2022 marked the most difficult year since the Global Financial Crisis.

A confluence of negative factors including resurgent inflation, rising interest rates, and geopolitical events exerted substantial downward pressure on investor sentiment. Notably, the S&P 500 index saw a decline of 19.4 percent over the year, while the Dow Jones Industrial Average retreated nine percent, and the NASDAQ Composite plummeted by a third[1].

In line with the challenges faced by European family offices, major European stock markets experienced downturns, with the DAX and SMI decreasing by 14 percent, and the CAC 40 and Eurostoxx 50 by 10 percent. A notable exception was the FTSE 100, which concluded the year without significant changes, attributed to the substantial presence of natural resources stocks within the index.

Bond markets experienced one of the most severe selloffs on record, with the 10-year Treasury yield climbing from 1.8 percent at the year's outset to a peak of 3.9 percent at year end[2].

In the private equity realm, Cambridge Associates LLC Private Equity Index recorded a loss of 4.3 percent, while its U.S. Venture Capital Index saw a substantial decline of 20.8 percent[3].

The close correlation of the major asset classes moving down in unison made 2022 particularly challenging for investors.

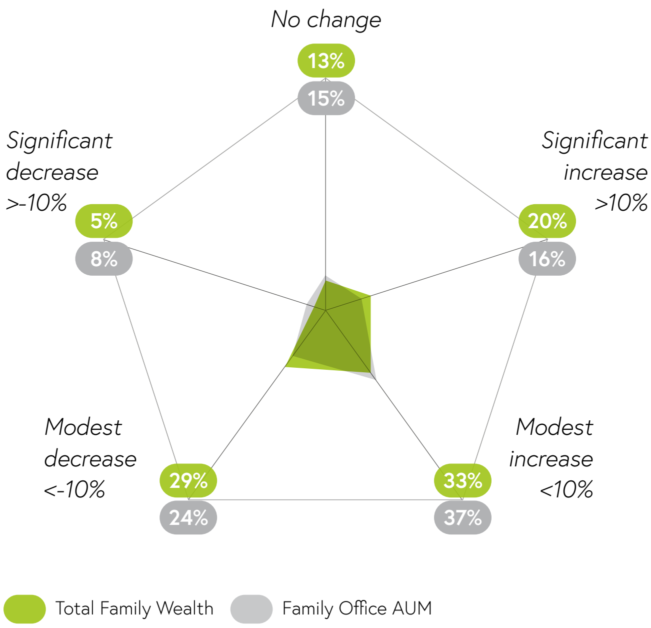
"2022 was not a terrible year, but obviously it could have been better. It's difficult to operate in such an environment, when all markets and asset classes were adversely affected."

Chief investment officer, single family office, Czech Republic

"There was a herd-like mentality amongst retail investors who were powering into the stock market and inflation was beginning to tick up. We'd enjoyed an enormous bull run so we decided to sell more or less everything."

Chief executive officer, single family office, United Kingdom

Figure 2.0 *Percentage of families reporting change in 2022 relative to 2021*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Majority of family offices report an increase in AUM

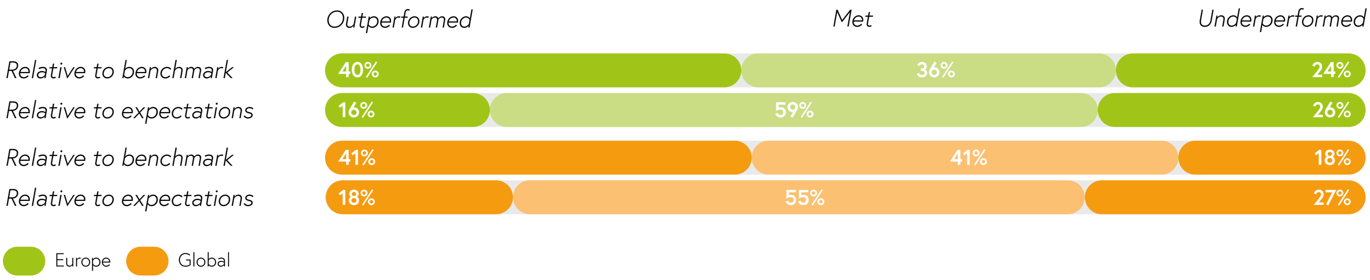
Despite challenging financial markets the investment performance of family offices was, on the whole, remarkably good. 53 percent reported an increase in AUM, and 16 percent reported an increase in excess of 10 percent (**Fig 2.0**).

Similarly, when queried about how their investment portfolios fared in comparison to their overall benchmarks, a noteworthy 40 percent of respondents indicated that their portfolios had outperformed, compared to 24 percent signalling underperformance (**Fig 2.1**).

However, the narrative becomes more nuanced when evaluating performance relative to expectations. It is evident that expectations for portfolio performance exceed notional benchmarks, hence against this measure only 16 percent of family offices reported outperformance, compared to 26 percent which underperformed.

[1] www.cnbc.com/2022/12/29/stock-market-futures-open-to-close-news.html
[2] www.cnbc.com/2022/12/30/treasury-yields-as-investors-look-ahead-to-2023-.html
[3] www.cambridgeassociates.com/en-eu/private-investment-benchmarks/

Figure 2.1: *2022 Investment performance relative to benchmark and expectations*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"We are essentially a mini-institution which means we have an exposure to every asset class, and a highly diversified portfolio. When you're invested in an indexed portfolio, much the same as everyone else, it's almost guaranteed we will underperform."

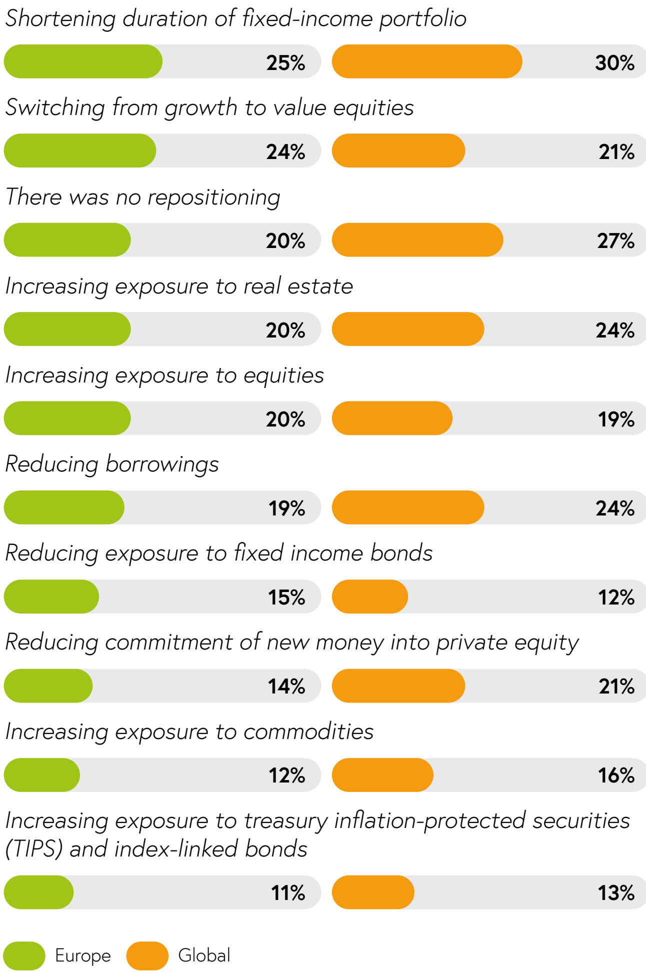
Chief investment officer, single family office, United Kingdom

Proactive Management

How did family offices manage to achieve investment performances that exceeded expectations? In part, the explanation lies in their proactive approach; a substantial 80 percent of family offices took action to mitigate the impact of market drawdowns (**Fig 2.2**). The tactic of shortening the duration of their fixed income portfolios to limit the sensitivity of valuations to higher bond yields was adopted by 25 percent of respondents. Other common strategies included switching from growth to value equities (24 percent) and increasing exposure to real estate on the basis that rents can keep pace with inflation (20 percent). Interestingly, only a relatively small percentage family offices actually took the step of reducing their fixed income allocation (15 percent) and new money commitment to private equity (14 percent).

Majority took action to mitigate market drawdowns

Figure 2.2: *Repositioning of family office portfolios to mitigate inflation and rising interest rates*



Note: Multiple answers permitted
Source: Campden Wealth, The European Family Office Report, 2023

Returns

We harnessed the survey data to calculate the average asset allocation of European family offices and the average returns derived from each individual asset category (**Fig 2.3**). By aggregating this data, we estimate that the average family office achieved a modest two percent return on its investment portfolio in 2022. This performance was impacted by two big asset classes, bonds (comprising nine percent of assets) and equities (representing 28 percent), both of which produced negative returns due to drawdowns in public markets. Returns from private markets, the largest asset class, which encompasses private equity, venture capital, and private debt (28 percent), were a small positive overall but notably lower than the high-teens returns achieved in each of the two preceding years. Looking more granularly at the survey results, roughly one-third of portfolios produced a negative return.

No standout winners

Analysing returns across various assets categories, there were no standout winners in 2022. However, it's important to note that most categories performed better than publicly available data might suggest.

For instance, the negative two percent return from developed market bonds looks relatively good for a year in which Bloomberg's aggregate U.S. bond index recorded a decline of 13 percent[4].

Figure 2.3: *Average strategic asset allocation and average asset return for 2022*

	Europe: Asset allocation	Europe: Asset return	Global: Asset allocation	Global: Asset return
Cash and equivalents	9%	3%	9%	3%
Bonds - developed markets	8%	-2%	7%	-1%
Bonds - developing markets	1%	-3%	3%	-1%
Equities - developed markets	24%	-1%	22%	-1%
Equities - developing markets	4%	-5%	5%	-3%
Private equity - direct investments	11%	8%	10%	7%
Private equity funds	9%	3%	9%	4%
Venture capital	4%	5%	5%	2%
Private debt / direct lending	4%	3%	3%	5%
Real estate	18%	6%	18%	6%
Hedge funds	3%	1%	3%	1%
Commodities	1%	0%	1%	2%
Gold / precious metals	1%	1%	1%	2%
Cryptocurrency / digital assets	1%	-1%	0%	-3%
Forestry / agricultural land	2%	1%	2%	2%
Total portfolio	100%	2%	100%	2%

Europe Global

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

[4] https://www.cnbc.com/2023/01/07/2022-was-the-worst-ever-year-for-us-bonds-how-to-position-for-2023.html#:~:text=Such%20long%2Ddated%20U.S.%20notes,bonds%20lost%2019%25%20in%201803.

2.2 Strategy

From growth to preservation

It seems that the challenging financial markets of 2022 triggered a shift in the investment strategies of family offices. Just two years ago, 35 percent of family offices operated a growth strategy, accepting a high level of risk for high returns (**Fig 2.4**). However, by 2022, this figure dwindled to 21 percent, and the majority of family offices switched to a balanced strategy, forgoing returns for lower risk and less volatility. Whilst there has been some movement back to growth this year, the expectation is that caution will persist.

It's also worth noting that European family offices appear more conservative than their global peers, based simply on the higher percentages operating wealth preservation and balanced strategies.

"I'm a believer in a growth investment strategy, which keeps the portfolio growing faster than inflation. Bonds cannot do this, but equities and real estate can. However, with nominal interest rates increasing again, and after a decade of hardly generating any interest at all from fixed-income investments, the asset class is becoming attractive again."

Chief executive officer, single family office, United Kingdom

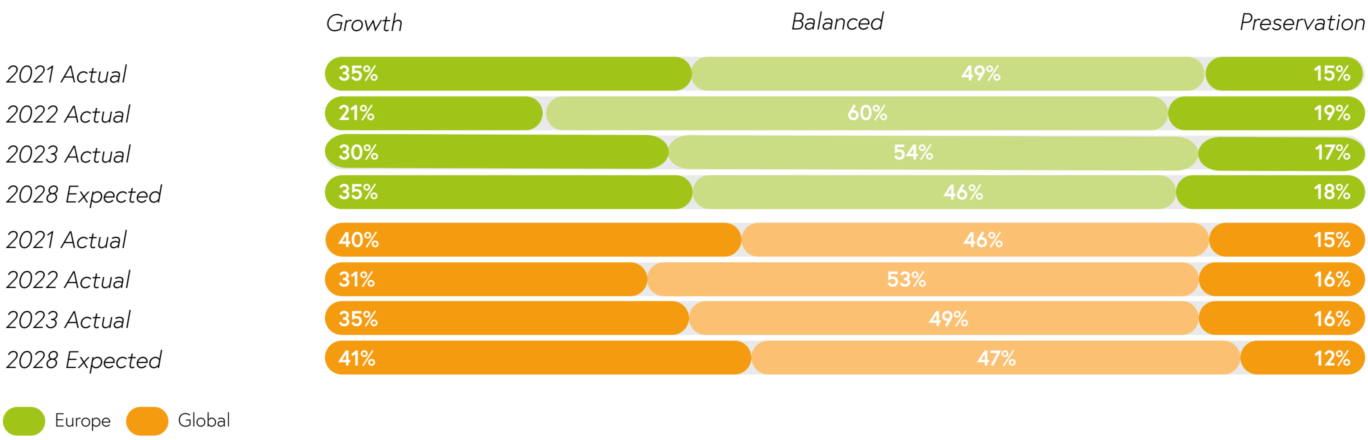
"Our main principle for investing is the available return but adjusted for risk. The risk of losing wealth is a very important consideration for us. It's about being able to sleep well. We know a lot of families that are extremely stressed by their investments, they operate very aggressive investment strategies."

Managing director, single family office, Spain

"Family offices are investing for the long term; they are trying to increase wealth over generations. What happens over a couple of years is irrelevant. So long as losses are limited to a few percent they'll be happy."

Chief investment officer, single family office, Switzerland

Figure 2.4: *Percentage of European family offices pursuing investment strategy*

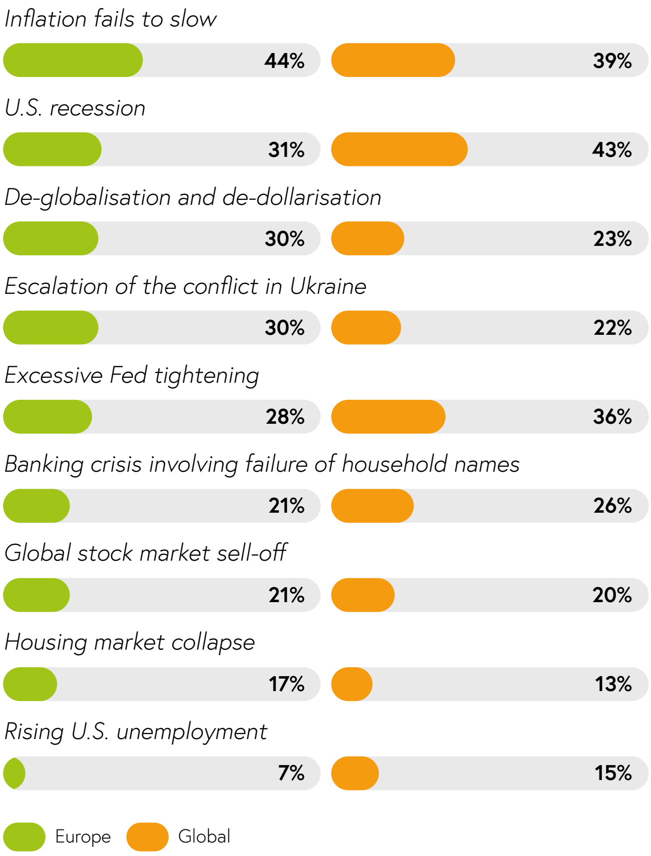


Preservation: Accept low returns in exchange for low risk
Growth: Accept high risk for faster capital appreciation
Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Investment risk

Investor psychology is notably shaped by tangible risks related to inflation and the U.S. economy, and geopolitical tensions. In our survey, respondents identified the most likely risks for 2023, with 44 percent highlighting persistent high inflation and 31 percent the possibility of U.S. recession (**Fig 2.5**). While high inflation has been the defining feature of financial markets this year, it hasn't led to a U.S. recession, because Fed tightening, a risk identified by 28 percent of family offices, has been acute but not excessive. Encouragingly, family offices did not view the probability of a global stock market sell-off as particularly high.

Figure 2.5: *Financial market risk most likely to crystallise in 2023*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

"Obviously rates were trending down aggressively at the start of the year based on the expectation of recession and the infamous Fed pivot. But we just didn't believe that. We thought, inflation is entrenched; it will never fall as quickly as market participants assumed."

Chief executive officer, single family office, United Kingdom

"We don't have recognisable economic cycles anymore. As a result, I've given up trying to predict what may or may not happen with our portfolio. We just try to stay as diversified as possible."

Managing director, single family office, Spain

New priorities

In prior surveys, family offices have prioritised diversifying their portfolios and exploring new investment opportunities. However, this year, hedging inflation risk and investing in alternative asset classes have risen in importance (**Fig 2.6**). The two priorities are linked because some alternatives such as real estate and commodities are widely regarded as effective hedges against inflationary pressures. Remarkably, family offices do not seem particularly enthusiastic about increasing their exposure to private markets, in contrast to other indications from the survey (**Fig 2.9**). Additionally, they remain unconvinced by the argument advocating a shift from growth equities to value equities.

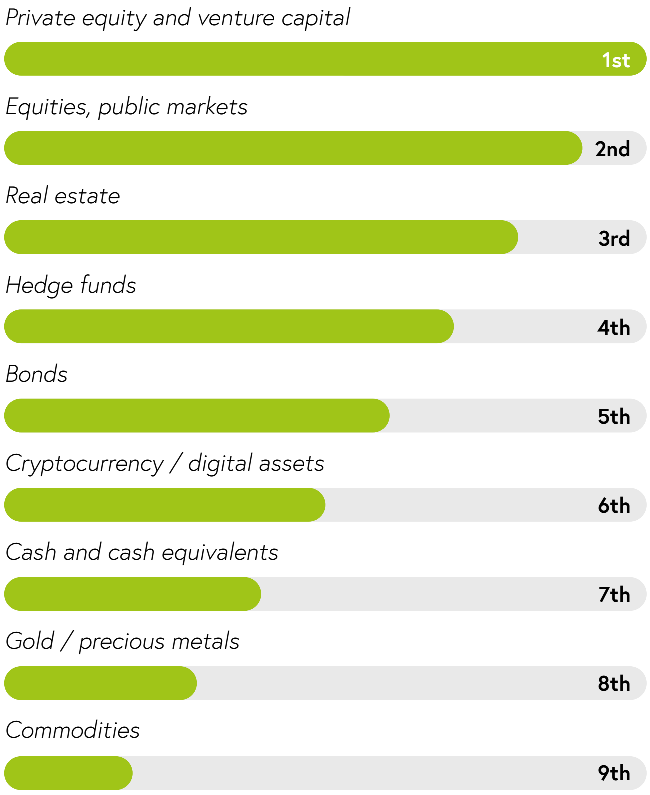
Figure 2.6: *Family offices' investment priorities for 2023*

Source: Campden Wealth, The European Family Office Report, 2023

Expected returns

In response to more challenging markets, some family offices have adopted more cautious investment strategies. They consider that the asset class likely to deliver the best long-term returns closely mirrors the historic performance. Private equity and venture capital head the list, followed closely by public market equities, and then real estate (**Fig 2.7**). In contrast, cryptocurrency, gold/precious metals and commodities are at the lower end of return expectations, providing insight into the limited holdings of these asset categories in family office portfolios (**Fig 2.3**).

Figure 2.7: *Asset classes ranked by highest expected long-term returns*



Source: Campden Wealth, The European Family Office Report, 2023

"In private equity the expected return is mid-teens, but you have to remember that the business is highly cyclical. Really good vintages will have returns three times as high as poor ones, there's a lot of variance."

Chief investment officer, single family office, Switzerland

"With venture capital you cannot rely on the valuation, even private equity has issues, there may be cash calls and delayed exits. But if the underlying companies are sound and well-managed, then I'd expect private equities to outperform public equities, much as they have done over the recent past."

Chief investment officer, single family office, Czech Republic

Asset mix

The asset mix of the average European family office portfolio has closely mirrored global trends in the past two years. Notably, there has been a consistent increase in allocation to private markets, making it the largest asset class (**Fig 2.8**). However, the trend halted in 2022, with private markets (encompassing private equity, venture capital, and private debt) declining slightly from 29 to 28 percent of the average portfolio. Equity holdings also decreased, from 31 percent to 28 percent, likely influenced by stock market valuations and asset allocation decisions. In response, family offices added three percentage points to their real estate portfolios, possibly as an inflation hedge.

Cash and equivalents held by family offices in Europe, and globally, grew from five to nine percent reflecting their prudent approach amidst volatile and risk-averse markets. The key questions to ask now are, how and when this capital might be reinvested?

Figure 2.8: *Family offices' average strategic asset allocation*

	Europe 2022	Europe 2021	Global 2022	Global 2021
Cash and equivalents	9%	5%	9%	5%
Bonds				
Developed markets	8%	8%	7%	9%
Developing markets	1%	3%	3%	3%
Equities				
Developed markets	24%	26%	22%	27%
Developing markets	4%	5%	5%	5%
Private markets				
Private equity - direct investments	11%	14%	10%	10%
Private equity funds	9%	8%	9%	8%
Venture capital	4%	5%	5%	6%
Private debt / direct lending	4%	2%	3%	3%
Alternatives				
Real estate	18%	15%	18%	14%
Hedge funds	3%	2%	3%	4%
Commodities	1%	2%	1%	1%
Gold / precious metals	1%	2%	1%	1%
Cryptocurrency / digital assets	1%	1%	0%	1%
Forestry / agricultural land	2%	2%	2%	2%
Total portfolio	100%	100%	100%	100%

Europe Global

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Private markets are expected to be the primary beneficiaries of capital re-allocation.

A significant percentage of family offices are planning to increase their allocation to direct private equity and venture capital. Despite some considering divestment, a net increase is anticipated, with 28 percent likely to increase their involvement in private equity and 21 percent in venture capital. Demand for real estate remains firm (**Fig 2.9**).

It's noteworthy that, on a net basis, the percentages of family offices intending to invest in developed market bonds (15 percent) is very similar to those intending to invest in developed market equities (14 percent). This positioning indicates that family offices believe U.S. inflation will recede through 2024 to the point where the Federal Reserve will initiate interest rates cuts. This is viewed as being positive for equities as well as bonds, provided that the economy does not stumble into recession. Aside from forestry and agricultural land (15 percent) there's limited enthusiasm for alternative assets, such as commodities and cryptocurrency.

"We need cash to be able to take advantage of opportunities if and when they emerge, and in the interim we have reduced our interest rate sensitivity by investing exclusively in very short-term government bonds."

Chief investment officer, single family office, Switzerland

"We are now fully invested; we do not have much spare cash. We made a number of new direct investments which means we hold 100 percent stakes and some of our existing companies needed more working capital, so suddenly the cash pile, which looked quite sizeable, is much reduced."

Chief executive officer, Single Family Office, United Kingdom

"To keep a significant part of your wealth in bank deposits and short-term bonds which you can quickly shift back into equity, or private equity, or real estate, but still benefit from a three percent yield, is an attractive proposition. This is totally different from the situation that has persisted over the past decade."

Founder, multi-family office, Germany

Figure 2.9: *Percentage of European family offices intending to increase / decrease their allocation to asset category*

	Increase	*Decrease*	*Net*
Cash and equivalents	23%	26%	-3%
Bonds			
Developed markets	31%	15%	15%
Developing markets	13%	14%	-2%
Equities			
Developed markets	27%	14%	14%
Developing markets	25%	10%	15%
Private markets			
Private equity - direct investments	38%	10%	28%
Private equity funds	31%	13%	18%
Venture capital	33%	12%	21%
Private debt / direct lending	22%	9%	13%
Alternatives			
Real estate	31%	10%	21%
Hedge funds	20%	11%	9%
Commodities	9%	5%	4%
Gold / precious metals	11%	2%	10%
Cryptocurrency / digital assets	7%	2%	6%
Forestry / agricultural land	15%	0%	15%

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Geography

European family office portfolios are well diversified.

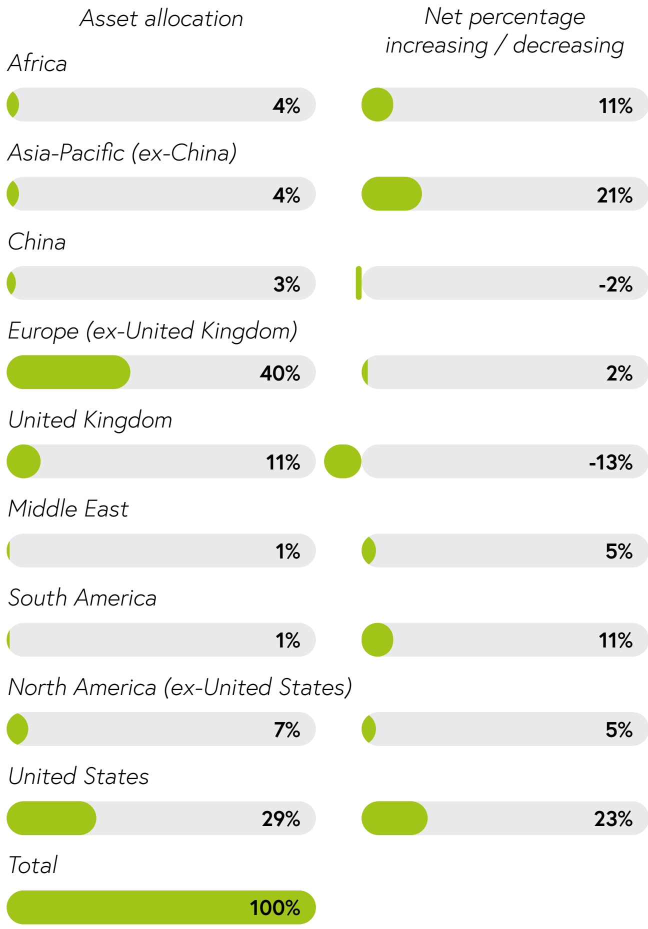
In response to our survey, only three family offices reported investing exclusively in Europe. For the average portfolio, just over half the assets are invested in Europe (including the United Kingdom) with diversification being provided by the 29 percent held in the United States and seven percent in Asia Pacific including China (**Fig 2.10**).

Exposure to Africa, the Middle East and South America is minimal, but the outlook for future investment in these regions is reasonably encouraging.

Future investment looks destined for North America and Asia Pacific (excluding China) with a net 23 and 21 percent of family offices looking to increase their involvement in these regions.

There's limited interest in the United Kingdom, even though 27 percent of the family offices participating in our survey are based there. This may reflect a stock market which has flatlined for the past six years, and an economy which has lagged behind not just the U.S., but most of its European peers.

Figure 2.10: *Family office geographic asset allocation, and net percentage of family offices intending to increase / decrease their allocation*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Attitudes, not platitudes

Family offices continue to express enthusiasm for private markets, with two-thirds believing that private markets will outperform public markets, based on findings from the attitudinal section of the survey (**Fig 2.10**). However, there are also positive expectations for public markets, as they could revive in anticipation of a U.S. economic recovery according to 58 percent of family offices. Additionally, 54 percent believe that the tech sector will rebound as interest rates decline, which has already started happening this year. Moreover, 51 percent of family offices expect fixed income bonds to become attractive when policy rates are eased, even though a recession that might have triggered this scenario has been averted, at least for now.

While there is a common complaint that the cryptocurrency market lacks regulation, our survey findings reveal that even with increased regulation, 54 percent of family offices would still refrain from investing in it.

Figure 2.11: *Considering your family office's investments, do you agree with the following statements?*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

2.3 Alternatives

Real estate

A substantial 76 percent of European family offices have investments in real estate, a figure closely aligned with family offices globally. Typically, family offices own investment properties in the residential and office sub-sectors, and a significant number engage in residential development (**Fig 2.11**).

Figure 2.12: *Percentage of family offices investing in real estate having exposure to sub-sector*

	As investor	As developer	Both
Industrial	31%	6%	8%
Leisure	31%	4%	4%
Offices	56%	4%	8%
Residential	56%	8%	15%
Retail	35%	0%	4%
Alternatives*	35%	0%	6%

*Senior housing, care homes, data centers, health centers, student accommodation
Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

The outlook for future investment looks rather different (**Fig 2.13**). 17 percent of family offices that have real estate investments intend to allocate more to the residential sub-sector but their newfound focus is on industrial and logistics rather than offices, which is further evidenced by **Fig 2.15**. Alternative real estate investments are also gaining traction. Both office and retail sectors are seen as fundamentally unattractive.

Figure 2.13: *Percentage of family offices investing in real estate intending to increase / decrease their allocation to sub-sector*

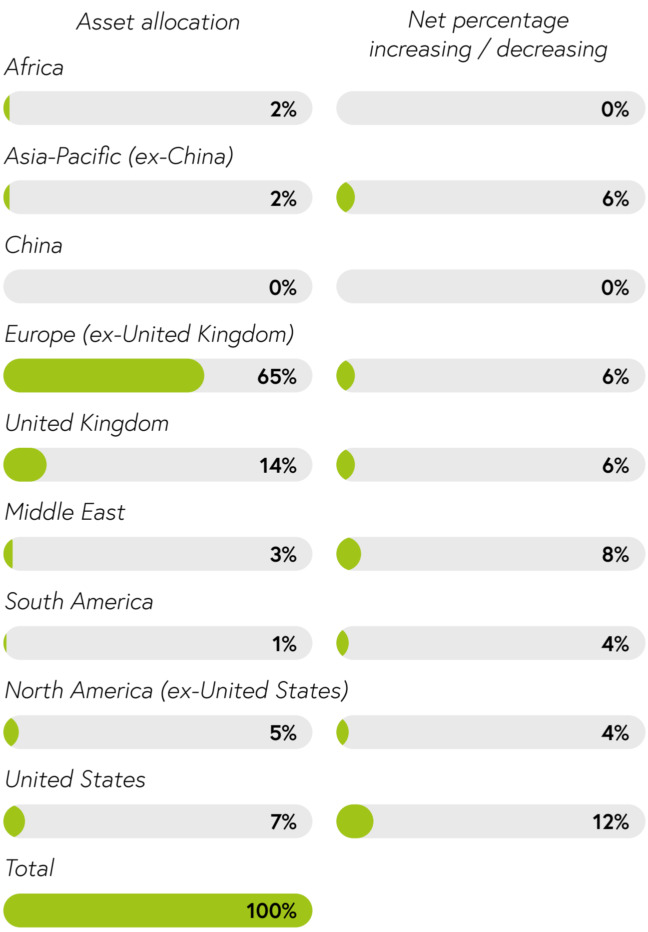
	Increase	Decrease	Net
Industrial	27%	8%	19%
Leisure	13%	2%	12%
Offices	15%	15%	0%
Residential	29%	12%	17%
Retail	8%	6%	2%
Alternatives*	21%	2%	19%

*Senior housing, care homes, data centers, health centers, student accommodation
Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Geographic focus

Not surprisingly, the majority of European family office real estate assets are located in Europe (65 percent) and the United Kingdom (14 percent). The main diversification is in North American, where 12 percent of family offices own real estate.

Figure 2.14: *Family office geographic allocation of real estate assets, and net percentage of family offices intending to increase / decrease their allocation*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Offices and retail face structural problems

Europe is a collection of regional markets with significant differences. For example, office vacancy rates in Barcelona are three times the level of Berlin[5]. Nonetheless, there are some common themes. The take-up of new space is running below trend and vacancy rates are increasing. This is attributed to companies that have adopted hybrid working strategies re-assessing their required office footprint. Markets have bifurcated with rents for prime properties still rising but flatlining for secondary properties. Quite where this leaves family offices is unclear; much will depend on the quality of individual assets, but in our attitudinal survey 58 percent agree that tenants need less space.

The picture is similar in the retail sector. Here too prime rents are in positive territory, but in addition secondary rents are stabilising after three years of decline. Nonetheless two-thirds of family offices believe the headwinds from e-commerce and remote working remain significant. Sixty percent of respondents expect affordability issues to put a cap on residential property prices and activity, and this is already evident in some European markets such as France and the UK.

[5] https://www.savills.com/research_articles/255800/350682-0

Figure 2.15: *Considering your family office's real estate investments, do you agree with the following statements?*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"I think the office markets in London, New York, and San Francisco are due a correction. But I don't think in most parts of Europe they are that bad. Certainly in our portfolio vacancy rates are no more than two percent. There has not been such extensive overdevelopment and the trend towards homeworking has not been as pronounced as it is in the U.S."

Chief investment officer, single family office, Switzerland

"The conventional firm needs an office, but a digital firm just needs a data centre. Data centres can be created from repurposed properties and by virtue of Moore's law the technology involved becomes cheaper and cheaper. They will displace offices and provide their owners with a consistent stream of income."

Chief investment officer, single family office, Luxembourg

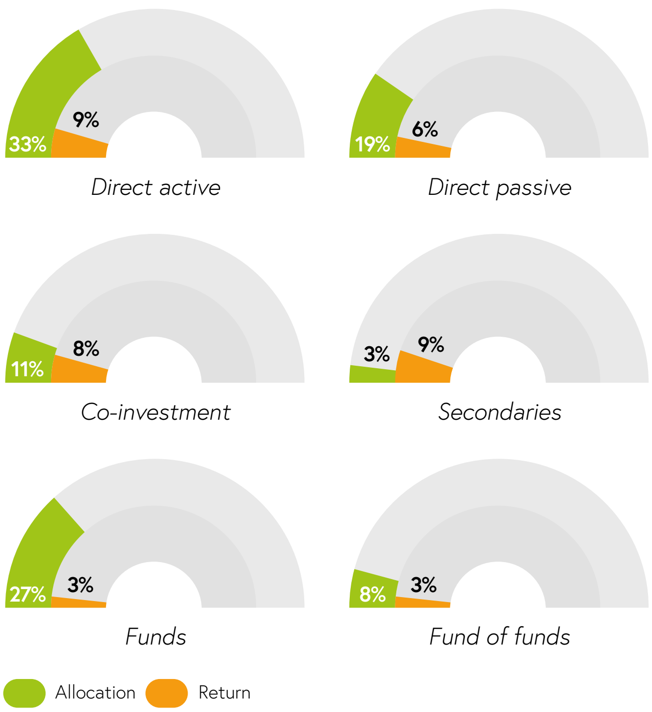
Private equity

An overwhelming 91 percent of European family offices hold private equity investments, which is identical to North American family offices.

Looking at the average portfolio, 52 percent of assets are held through direct participation and 35 percent through holdings of funds or fund of funds (**Fig 2.16**). Notably, co-investments and secondaries do not play a significant role in investment strategies. Returns from private equity categories were positive in 2022 but notably lower than the high-teens achieved in each of the two preceding years. This reflects a more difficult environment for exits, and to the extent to which valuations are based on quoted comparables, stock market drawdowns.

Active approach enhances returns

Figure 2.16: *Average family office private equity portfolio, allocation and the returns achieved in 2022*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Direct vs. funds

Family offices vary in their approach to private equity investments. While direct investments constitute, on average, the largest segment within portfolios, it's worth noting that in every private equity category significant percentages of family offices choose to invest directly, or through funds, or both (**Fig 2.17**). The choice often depends on factors such as administrative burden, in-depth due diligence requirements, and specialised investment management. Families with industry expertise may choose direct investments to take a hands-on approach. Early-stage angel and seed investing is more likely to be done directly, while buy-outs, which involve higher leverage risk, are often undertaken through funds. Across both direct and fund investment, growth and venture investments are the most popular categories, and special situations and private debt the least.

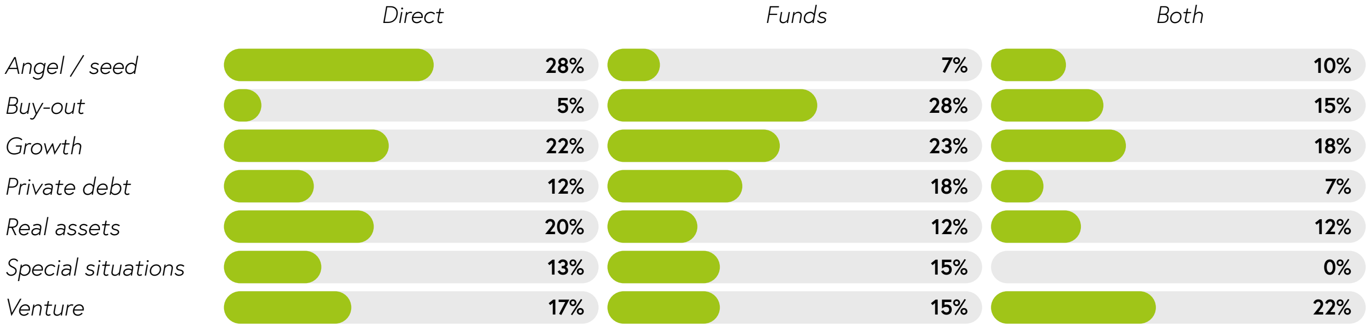
"The return on our private equity portfolio was eight percent in 2022. We were quite pleased with that, given the difficult environment through the second half of last year. We've been helped by a conservative investment policy. We haven't done any venture investments for the last five years, because we just felt the valuations were so high that we couldn't make returns commensurate with the risk."

Chief investment officer, single family office, Switzerland

"We like strategies that are dependent on growth, not financial engineering. A growth strategy can be quite low risk provided you don't overpay for it. Leverage is a big element in buy-out fund strategy. There's a lot of debt that's going to roll over during the next five years, and borrowers will not be able to renew at the same low interest rates as before and covenants will be a lot tighter."

Chief investment officer, single family office, Czech Republic

Figure 2.17: *Percentage of family offices investing in private equity with exposure to private equity category*



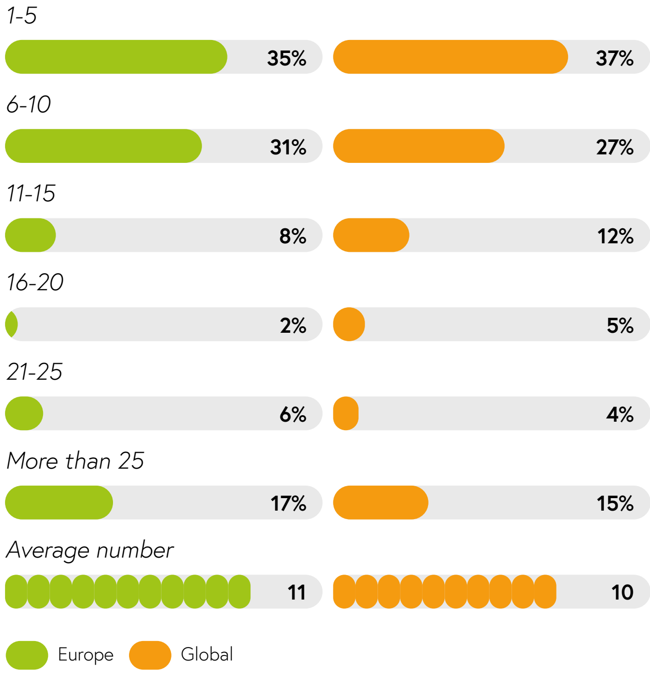
Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

New technologies

Through their private equity portfolios, family offices find themselves involved with exciting emerging businesses that harness cutting-edge technologies. Private equity funds, in particular, offer family offices a comprehensive exposure to a range of these innovations, as indicated in **Fig 2.18**. Healthcare, fintech, and data centres have been popular sectors for family office investment and characteristically 60 percent or more of family offices have an exposure. Recently, artificial intelligence has garnered substantial attention, with the result that a net 38 percent of family offices are seeking to increase their involvement. Other popular sectors for future investment include climate change mitigation (27 percent) and digital transformation (25 percent). By contrast there appears to be limited enthusiasm for blockchain (seven percent), data centres (five percent), and consumer internet (three percent), and there could even be some disinvestment from the Metaverse (negative two percent).

Similar to their global peers, European family offices investing in direct private equity hold, on average, 11 concurrent open positions, although most hold less than five (**Fig 2.19**).

Figure 2.19: *Number of direct private equity positions run concurrently by family offices engaged in direct investing*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 2.18: *Percentage of private equity owning family offices already invested in new technology, net percentage intending to increase their allocation, and percentage intending to initiate exposure*

Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

"We've been invested in the biotech industry for the past 35 years or more. But I've come to the conclusion that this is a game for the big guys, not for small startups or entrepreneurs. Today, developing a new drug or a new technology needs billions. If you do back these companies, you need to put a lot of money in, and then follow that up with a lot more money."

Chief executive, single family office, Switzerland

"Through funds we're invested in over a thousand companies. We have tools that tell us exactly where we are invested so that we can determine exactly where the minefields are. If we found that we had 90 percent of our portfolio exposed to artificial intelligence, we would take action to fix this. As it stands over 50 percent of our portfolio is a combination of information technology and healthcare, but I don't believe that is particularly unusual."

Founder, multi-family office, Germany

"We don't explicitly want to have a sector focus. In the past there has been a lot of hype around certain new technologies like 5G or 3D printing. But if you are a limited partner in a fund with 30 or 40 investments run by one of giant private equity houses then you naturally have exposure to companies who are working on AI or robotics and probably benefitting from the development of these technologies. We also get exposure through our public equities."

Chief investment officer, single family office, Czech Republic

"Our strategy in private equity is really to invest in the old economy. We invest in companies engaged in high-precision mechanical engineering or electronics. We are not really involved with new technologies like artificial intelligence, because we are not in the right mindset or don't have the relevant experience."

Founder, single family office, Switzerland

It's getting tougher out there

70 percent of family offices agree that private equity investors have become more risk-averse, meaning that companies will face increased challenges in raising capital. But 63 percent recognise that as direct investors they should contribute more value-add to their portfolio companies. Amid the possibility of an impending recession, only 47 percent of family offices believe their portfolio companies have taken sufficient measures to reduce cash-burn, and they remain somewhat cautious about the attractiveness of current valuations (**Fig 2.20**).

Figure 2.20: *Considering your family office's private equity investments, do you agree with the following statements?*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"The balance of power between general partners and limited partners has definitely changed. Venture funds are facing serious problems raising money and some are even reducing fees. The leading private equity houses are suffering too but not nearly to the same extent. The problem is that in 2022 institutional investors saw the value of their public market investments decline and by default their percentage exposure to private markets increased. So institutions had to reduce their private equity exposure or at least their ability to commit new funds became more limited."

Chief investment officer, single family office, Czech Republic

Digital assets

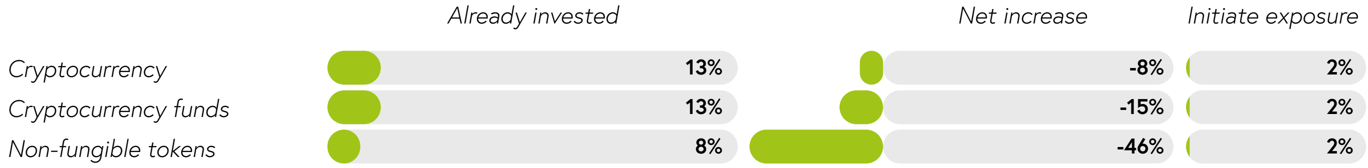
The total cryptocurrency market capitalisation currently stands at approximately US $1.2 trillion, a significant decrease from its peak just shy of US $3 trillion in the winter of 2021[6]. This decline reflects investor disillusionment with the asset class, which is mirrored in the holdings of European family offices. On average, cryptocurrencies account for slightly more than 0.5 percent of total AUM (**Fig 2.8**). Our survey indicates 13 percent of family offices hold cryptocurrencies, down from 28 percent reported in the previous year. Looking ahead, the percentage of family offices intending to reduce their holdings of cryptocurrency and non-fungible tokens (NFTs) exceeds those planning to increase them, with non-holders showing no intention of initiating positions (**Fig 2.21**).

Blockchain unchained

Family offices have a very positive stance on blockchain technology and its potential application to Web 3.0. Blockchain is viewed as transformative because of its ability to establish an immutable record of commercial transactions. A net 45 percent of family offices (**Fig 2.22**) agree that blockchain technologies will generate substantial value, although this enthusiasm hasn't filtered through to current investment intentions (**Fig 2.18**). Exactly half the respondents agree that only a select few of today's cryptocurrencies will endure in the future, and only a net 10 percent believe that the volatility of cryptocurrencies and lack of market regulation can be corrected. A net 22 percent of family offices agree that a work of art has a certain intrinsic value and being represented by an NFT doesn't add or subtract from that value.

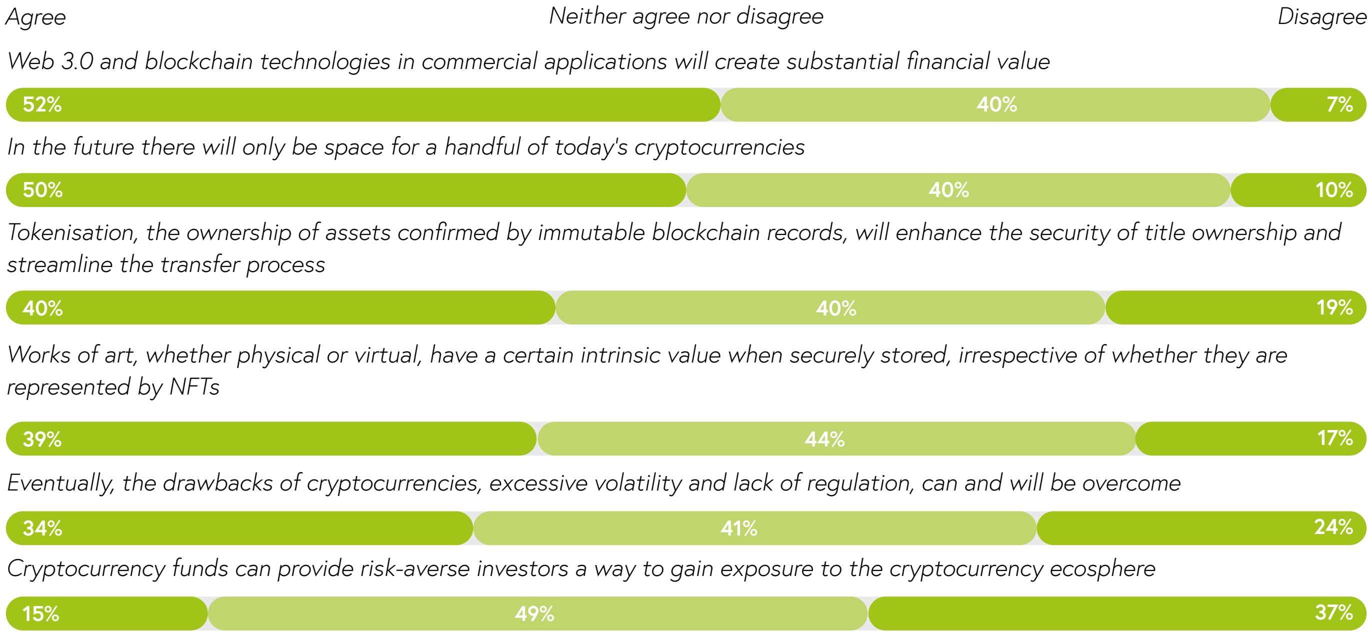
[6] https://coinmarketcap.com/charts/

Figure 2.21: *Percentage of family offices already invested in digital asset category, net percentage intending to increase / decrease their allocation, and percentage intending to initiate exposure*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 2.22: *Considering your family office's digital asset investments, do you agree with the following statements?*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"For cryptocurrencies there are no traditional metrics. One could say the same thing about commodities, but at least commodities are produced and consumed, and the balance between supply and demand tells you what the price should be."

Founder, single family office, Switzerland

"We put our toe in the water about two years ago and built a portfolio of cryptocurrencies, perhaps 10 to 12 positions overall but a fraction of a percent of AUM. We are more interested in the startup companies developing blockchain and smart contract functionality."

Chief investment officer, single family office, Switzerland

Sustainable investing

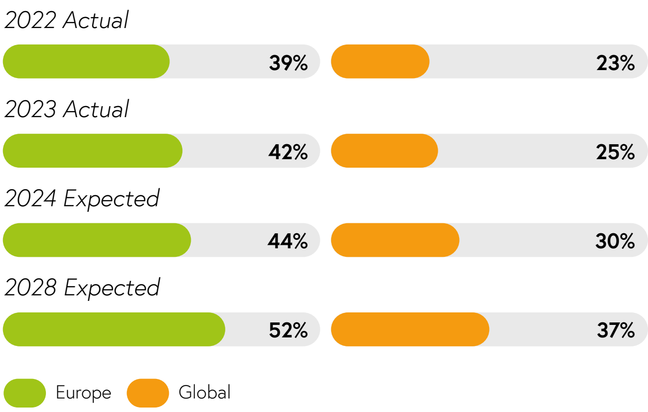
Europe has always been in the vanguard of sustainable investing.

Bloomberg Intelligence estimated that Europe accounted for half of all global ESG assets totalling US $41 trillion at the start of 2022[7].

Our survey data supports this finding.

Two-thirds of European family offices are engaged in sustainable investing, which compares with around 40 percent for family offices in North America and Asia-Pacific. Additionally sustainable investments make up 42 percent of European family office portfolios compared to a global average of 25 percent. Both figures are expected to continue to rise over the medium term.

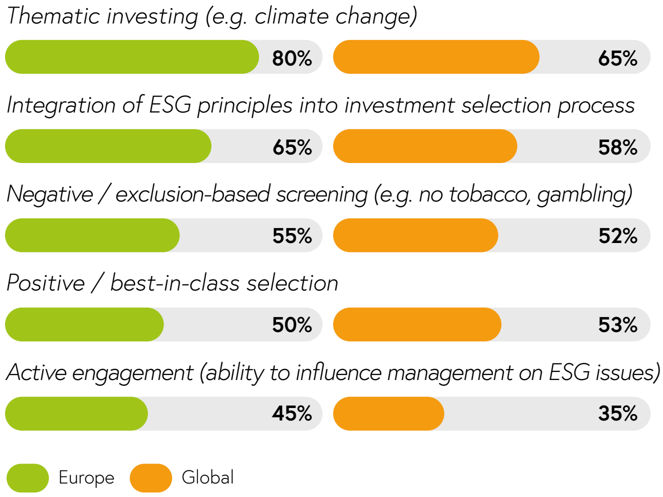
Figure 2.23: *Sustainable investments as percent AUM for families engaged in sustainable investing*



Source: Campden Wealth, The European Family Office Report, 2023

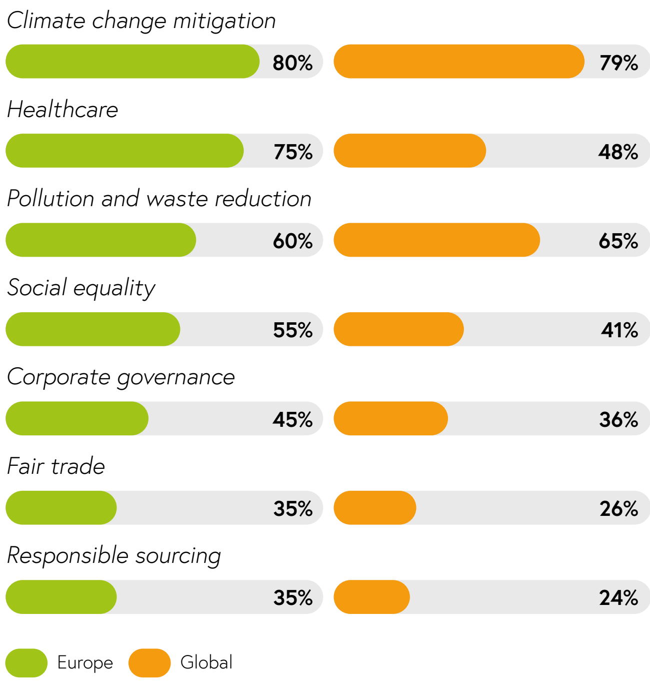
Two of the most commonly adopted approaches to sustainable investing are thematic investing (80 percent) and assessment of ESG criteria (65 percent) (**Fig 2.24**). The former focuses on investing in themes aligned with the family's specific interests, the later involves consideration of the target investment's environmental, social, and governance criteria. Our survey reveals that family offices often combine elements of two or more of these strategies, rather than exclusively using one. Notably, climate change mitigation remains the most popular thematic investing theme (**Fig 2.25**).

Figure 2.24: *Sustainable investment methodologies used by family offices*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 2.25: *Sustainable investment themes supported by family offices*



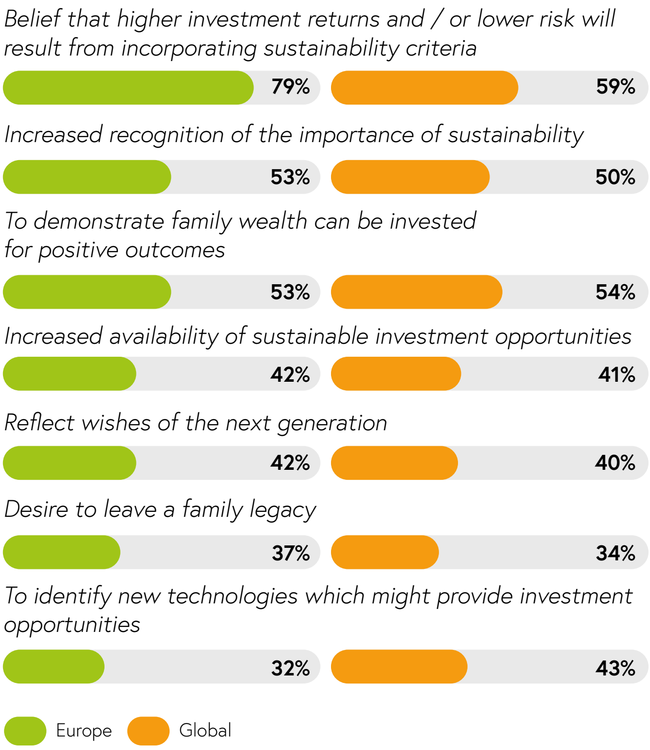
Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

[7] https://www.bloomberg.com/company/press/esg-may-surpass-41-trillion-assets-in-2022-but-not-without-challenges-finds-bloomberg-intelligence/

Motivations

There are several motivating factors behind the adoption of sustainable investing (**Fig 2.26**). For European family offices, and for family offices globally, the primary motivation is the belief that sustainable investing can lead to higher returns and lower risk (79 percent). Behind that, the increasing importance of sustainability in the media and popular culture, and the desire to demonstrate that family wealth can be used to achieve positive outcomes (both 53 percent) provide secondary motivations. Both in Europe and globally, family offices are eager to align their investments with the preferences of next-generation family members who will have to grapple with environmental and social challenges into the future.

Figure 2.26: *Main motivations for investing sustainably*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Repairing the planet at no cost

A striking 79 percent of families agree that they have a responsibility to make the world a better place, and 68 percent believe that taking on this responsibility through sustainable investing will not mean compromising on financial returns. There's certainly empirical evidence to support this view. Over the period of 2018-2021, academic studies reveal that sustainable funds outperformed conventional funds although this didn't hold true in 2022. Nevertheless, this reversal in performance doesn't appear to have shaken family offices' belief that there is no financial or risk-adjusted cost to sustainable investing. Cynicism regarding companies' adoption of ESG principles remains quite widespread; a net 26 percent of family offices view this as greenwashing.

Figure 2.27: *Considering your family office's involvement with sustainable investing, do you agree with the following statements?*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"Recently, I worked with a family which wanted to find an investment manager for an advisory mandate. I worked with the family to draw up the guidelines for ESG. You cannot imagine how difficult it was to find an asset manager who was even able to understand these guidelines. Their understanding of sustainability concepts was entirely different from the family's."

Founder, multi-family office, Germany

"Slowly the portfolio has been transitioning to green energy and sustainable investments to better reflect the interest of our next-gens. It's been made easier by the standardised ESG data provided by investment managers and the vast range of ESG compliant funds that are now available."

Chief investment officer, single family office, United Kingdom

Adventure in venture

The Chief Investment Officer of a Luxembourg-based single-family office explains his preference for venture capital rather than mainstream private equity and the importance of finding specialist managers. The portfolio's direct investments also benefit from the family's expertise in retail. Despite recent setbacks, he still believes venture will provide the highest portfolio returns.

Your portfolio seems highly diversified with exposure to almost every new technology?

"We took the decision to put more emphasis on specialist venture capital funds rather than more generalist funds that don't target specific sectors and their portfolios reflect what's flavour of the month. As a result, portfolios tend to be highly concentrated. By contrast our allocation on the venture capital side is a lot more thoughtful. We try to identify long-term secular trends such as digitalisation, population ageing and decarbonisation. Then we identify technologies like robotics, cybersecurity, biotech, quantum computing and see where they fit in these trends. For example, an ageing demographic is advantageous not only for healthcare but also entertainment. Then we look for managers who understand and are specialists in exploiting these trends. To be clear, not all managers we employ are single sector specialists, many look at a few sectors but those are very well defined in advance. We get diversification through the number of managers and themes we invest in."

"In the past when we employed generalist managers, we ended up with the portfolio heavily weighted towards one specific theme of the time like fintech and consumer internet. My impression was that these managers' choice of industries was not deliberate, but rather the product of what deals were available at the time. If we employed generalist managers today, we'd end up being over-exposed to artificial intelligence because that is the direction the train is going at the moment. With a more thematic allocation we know where our exposure is going to be, and we avoid over-concentration on certain technologies. But the good news is that we now have a highly diversified venture capital portfolio, giving us exposure to the majority of new emerging technologies."

Given what you have said about specialist managers you presumably have a preference for funds rather than direct investment?

"The venture capital we do is invariably through funds, the private equity we do is almost invariably direct. Venture requires lot of skills and experience we do not have in-house, so the deployment route is invariably via funds. We could do venture co-investment with funds, or other families but certainly would not look at direct venture investments. Also, we are very sceptical of direct venture investments. We receive a lot of prospectuses, but by the time they land in our mailbox I always wonder how many highly skilled Venture Capitalists have declined investing."

"On the other hand, direct private equity investment is in the family's DNA. The family is highly entrepreneurial, they made their wealth through buying, growing, and selling businesses. They use their own capital mostly or bring other families into "club" deals. Historically, returns have been above 20 percent with some deals having done much better than that. The family is very conservative in its approach, recognising that they can be at risk for a very extended period. Their mantra is "We're not out until we're out".

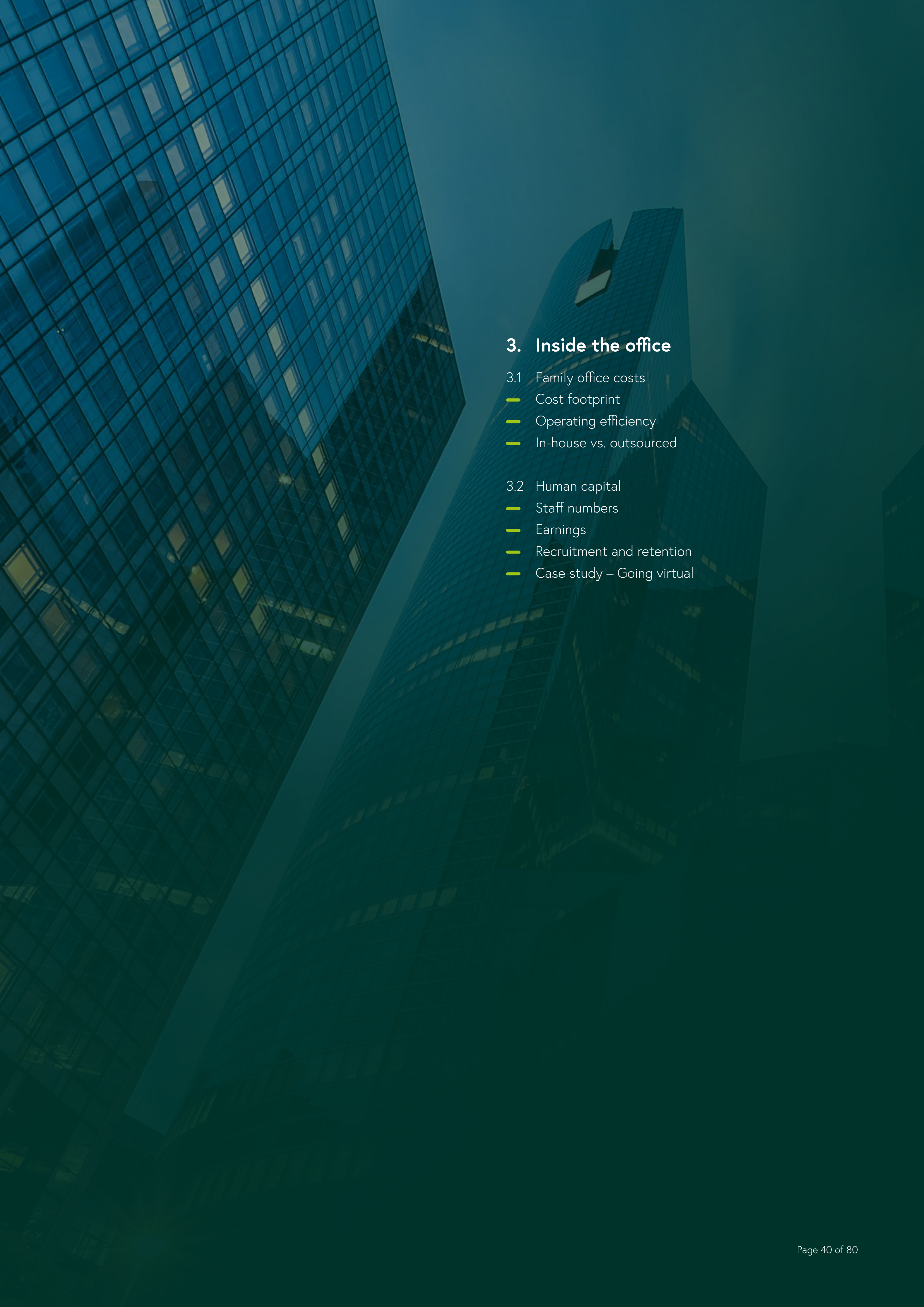
"Many of these direct deals are co-investments which we do with other families. Our focus is very narrow, almost exclusively retail because this is the family's area of expertise. They seem to know instinctively where good returns can be made. The key risk here, unlike venture capital, is that we are very concentrated in one sector, which is painful when the economy is in recession or there is a pandemic. However, I believe this is a risk worth running because the family's knowledge and experience significantly increases the probability of a successful outcome. The operating managers of the businesses where we invest directly tell us that the guidance and support they receive from the family is invaluable."

"The strong returns we make on direct investments encourage family offices within our eco-sphere to co-invest alongside us. In theory, these family offices can reciprocate so that we could invest in their areas of expertise. That hasn't happened yet but it is something we are actively considering. We generally are very keen in exchanging with other families around their respective sector experience."

"When we do direct deals and bring in other families as co-investors in club deals, we charge a small management fee, and we get paid mostly on performance fees. Other families are very comfortable with this alignment of interest. By contrast, my perception is that the large PE/VC firms can live comfortably off their recurring management fees on AUM and are therefore less incentivised to perform. We are very worried about managers turning so big that their entrepreneurial focus is reduced, and the focus is more on asset gathering and AUM fees, becoming like managers in public markets. Also, as funds get larger capital deployment becomes an issue and there's more incentive to gravitate towards larger deals where there is more competition and less valuation discipline. For this reason, in Europe and the U.S. we prefer mid-sized private equity firms. Likewise, in early stage venture we invest in mid-sized funds, anything from 150 million to 400 million euros."

How confident are you that the exceptional returns from private equity and venture that investors have enjoyed for many years will continue?

"I don't know about the immediate outlook. We take a long-term view on this asset class. Over the medium to long term, I believe we are still looking at single-digit returns from equities and fixed income, but 15 to 20 percent from private equity and 18 to 25 percent from venture. How can I be so confident? Well, I have lived through more than one business cycle. I appreciate that taking a startup or any business and working with it to build a great management team, product, and business model can create significant reward. Of course, it is not without risk but this is reflected in our asset allocation which is very diversified across both public and private markets."



3. Inside the office

3. Inside the office

- We estimate that the operational costs of European family offices averaged US $4.4 million last year, or 50 bps of assets under management. This figure is slightly below the global average and represents a 17 bps reduction from 2021. Family offices achieved this by reducing discretionary spending and moderating staff remuneration.

- While the average operational costs stand at US $4.4 million, there is substantial variation within this aggregate. Larger offices have operating costs two or three times higher than average, but assets under management 10 times higher. Consequently, the ratio of operating costs to AUM varies significantly. We estimate family offices with AUM in excess of US $1 billion are potentially five times more efficient than those in the US $100-250 range.

- Family offices typically offer services through a combination of their in-house employees and external outsourcing. In most cases services come from both elements. Just 18 percent provide all their services exclusively in-house, while at the other end of the scale 15 percent outsource everything to external vendors. When it comes to advisory and investment-related services, over 80 percent of families exclusively outsource or adopt a mixed approach because these services can be readily sourced from external professional vendors. Conversely, administration and family services tend to be handled in-house by family office employees.

- The average remuneration of family office CEOs was US $292,000 in 2022. Basic remuneration across the management structure saw significant reductions of around 20 percent and discretionary bonuses also declined. These measures contributed to the strong cost control measures implemented by family offices. This trend may have been facilitated by the high percentage of senior management who are also family members.

- Recruiting and retaining staff are critical challenges for family offices. The limited pool of applicants with the required skills can make recruitment difficult. When it comes to retaining staff, offering career progression opportunities is considered more important than salary and benefits. As family offices become more professionalised and bring in non-family members from commercial backgrounds, providing a clear path and opportunities for advancement will become increasingly important to attract and retain top talent.

$4.4m

(US$) average operational cost of family office

50 bps

of AUM efficiency ratio

$292k

(US$) average CEO basic remuneration

3.1 Family office costs

Cost footprint

Despite the challenging investment landscape, European family offices continued to expand in 2022. Nearly a third of respondents indicated their family offices had increased staff numbers as the process of professionalisation through the recruitment of non-family members continues and a similar proportion stepped up their investment in IT infrastructure. Significant percentages of family offices moved functions in-house and increased outsourcing.

Figure 3.0: *Percentage of families reporting change during 2022*

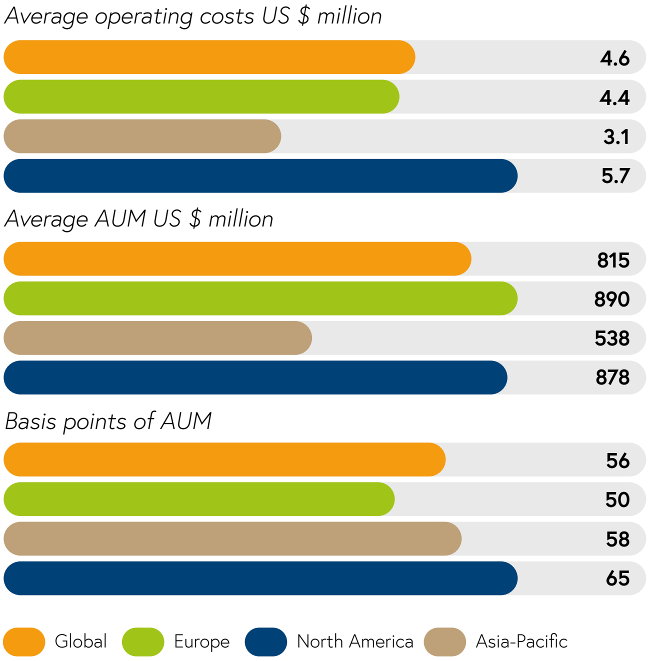
	Significant increase >10%	*Modest increase <10%*	*No change*	*Modest decrease <-10%*	*Significant decrease >-10%*
Family office staff	8%	22%	67%	3%	1%
Professional non-family staff	6%	20%	71%	1%	1%
Investment in IT infrastructure	8%	28%	63%	1%	0%
Outsourcing functions to third parties	6%	19%	72%	3%	0%
Moving functions In-house	3%	14%	78%	5%	0%
Number of offices	3%	5%	91%	1%	0%

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Operational costs for the average European family offices are estimated to have averaged US $4.4 million in 2022 or 50 bps of assets under management. This figure is slightly below the global average and represents a 17 bps reduction from 2021, despite the inflationary environment and increases in staff numbers and IT expenditure as outlined in **Fig 3.0**. Family offices managed to control costs effectively by reducing discretionary spending and remuneration.

Careful cost control

Figure 3.1: *Family office operating costs as basis points of AUM*



Source: Campden Wealth, The European Family Office Report, 2023

Family offices' expenses can be categorised into four main areas: advisory, investment-related, family services and administration. Advisory costs, which includes estate and financial planning as well as legal services, accounted for 23 percent of total expenses. Investment-related costs, encompassing asset allocation, due diligence, and real estate management, constituted the largest category at 37 percent. Family services, (which incorporates travel and security) and administration each represented around 20 percent. For a detailed breakdown of operational costs, please refer to **Fig 3.2**.

In addition to operational costs, family offices incur significant fees paid to external investment managers. Averaging 12 bps, these costs were notably lower than in recent years, primarily due to a reduction in performance fees.

Operating efficiency

Figure 3.2 provides an overview of the average costs reported by survey respondents. However, there is substantial variation within this aggregate, as larger family offices have operating costs two to three times higher than the average. This variation is further amplified when considering assets under management, as the largest family offices may have more than 10 times the average AUM. Consequently, the ratio of operating costs to AUM varies significantly. **Fig 3.3** shows how this important ratio declines as the size of the family offices increases. Family offices with AUM in excess of US $1 billion are potentially five times more efficient than those in the US $100-250 range.

Figure 3.2: *Breakdown of average family office operating costs 2022*

	Europe: Percent average family office operating costs	Europe: Basis points	Europe: Operating cost of average family office US $million	Global: Percent average family office operating costs	Global: Basis points	Global: Operating cost of average family office US $million
Estate planning	3%	2	0.2	4%	2	0.2
Financial planning	6%	3	0.3	8%	4	0.3
Insurance	2%	1	0.1	4%	2	0.2
Legal	6%	2	0.3	5%	3	0.2
Succession	2%	1	0.1	2%	1	0.1
Tax planning	4%	2	0.2	5%	3	0.2
Advisory	**23%**	**12**	**1.0**	**28%**	**16**	**1.3**
Accounting	6%	3	0.3	7%	4	0.3
Asset allocation	8%	4	0.4	6%	3	0.3
Due diligence	6%	3	0.3	7%	4	0.3
Real estate	5%	3	0.2	5%	3	0.2
Reporting	5%	2	0.2	4%	3	0.2
Risk management	6%	3	0.3	5%	3	0.2
Investment related	**37%**	**18**	**1.6**	**35%**	**20**	**1.6**
Concierge	4%	2	0.2	5%	3	0.2
Next-gen education	4%	2	0.2	4%	2	0.2
Security	4%	2	0.2	4%	2	0.2
Travel	6%	3	0.3	5%	3	0.2
Family services	**18%**	**9**	**0.8**	**18%**	**10**	**0.8**
Human resources	9%	5	0.4	7%	4	0.3
Information technology	4%	2	0.2	5%	3	0.2
Premises	8%	4	0.3	7%	4	0.3
Administration	**21%**	**11**	**0.9**	**19%**	**11**	**0.9**
Total operating expenses	**100%**	**50**	**4.4**	**100%**	**56**	**4.6**
Administration		3	0.3		4	0.4
Custody and reporting		3	0.3		4	0.4
Performance		5	0.4		7	0.6
External investment management fees		**12**	**1.0**		**16**	**1.3**
Total operating and investment management		**61**	**5.4**		**72**	**5.9**

Europe Global

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

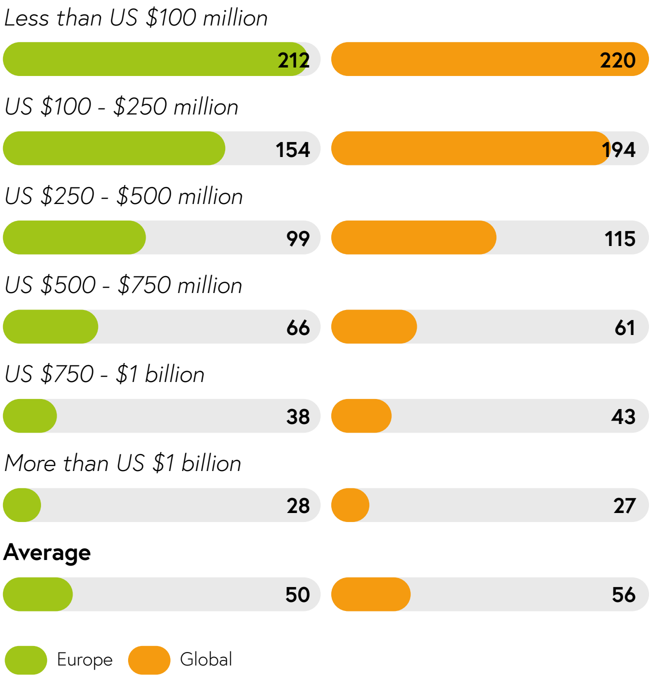
"It's probably impossible to accurately compare family offices. In our case the office is run in conjunction with the family business and so services such as payroll, human resources, premises are all shared. We don't end up paying for functions and no, it's handled by the family business. Our costs are much lower than if we were a genuine stand-alone entity."

Chief investment officer, single family office, Luxembourg

"Family office expenses are fairly modest if the family is just a founder, his wife and their children. But by the time you get to the fifth or sixth generation it's a different story. The cost is directly proportional to the number of people served."

Chief investment officer, single family office, Czech Republic

Figure 3.3: *Family office operating costs as basis points of AUM by AUM*



Source: Campden Wealth, The European Family Office Report, 2023

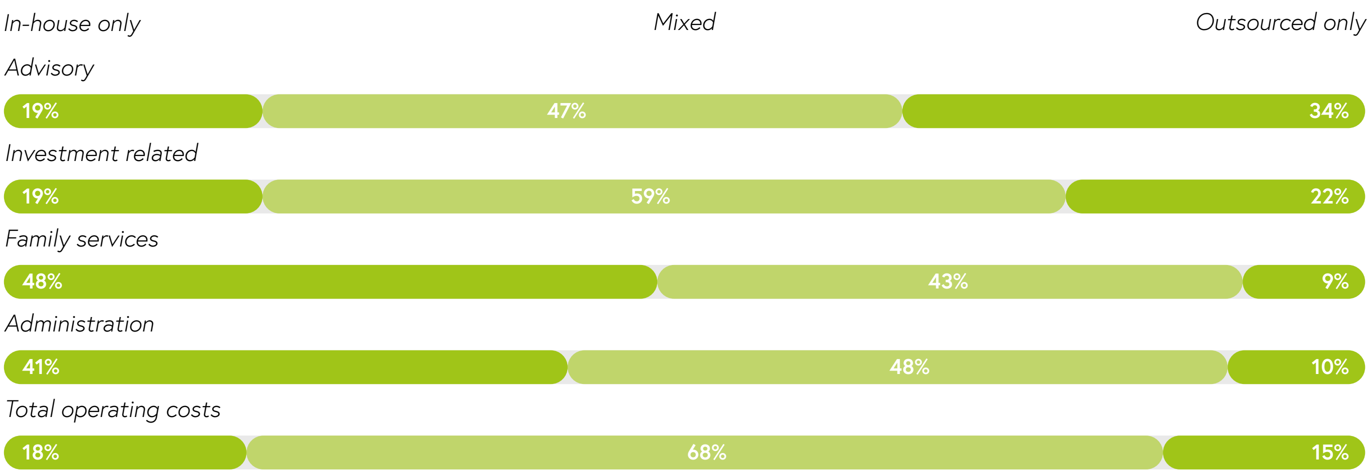
In-house vs. outsourced

Family offices deliver services through their own employees and resources or through outsourcing arrangements. Typically, services are a mix of both. Only 18 percent of family offices handle all services in-house, while 15 percent outsource everything. Most commonly, it's advisory and investment-related services that are outsourced to professional managers or undertaken on a mixed basis. A significant proportion of family services are provided on a mixed basis.

Family offices take mixed approach

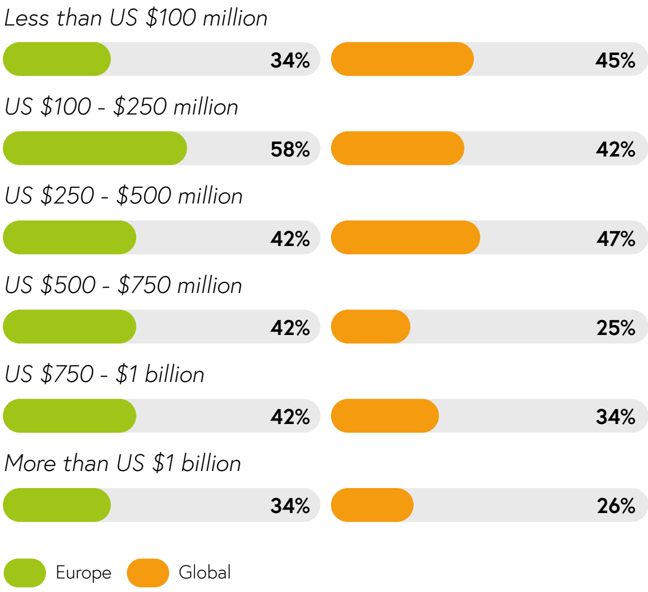
The decision to keep a service in-house or outsource it likely hinges on factors such as cost, frequency, and complexity. Frequently repeated, less-complex functions can be efficiently managed in-house by generalists within the family office. In contrast, more complex and specialised tasks may necessitate the expertise of external professionals. Since frequency plays a role, it's reasonable to expect that larger family offices, which likely have more frequently performed functions, would have a higher percentage of their expenses incurred in-house. Data from Europe, as well as globally (**Fig 3.5**), supports this hypothesis.

Figure 3.4: *Percentage of family offices providing services exclusively in-house, exclusively outsourced and mixed*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 3.5: *Percentage of operating costs outsourced and family office AUM band*



Source: Campden Wealth, The European Family Office Report, 2023

"The family requires a demanding level of service, and this can't really be delivered by outsourced services, particularly personal services for family members. Doing everything in-house is expensive, but an external vendor will never give you the same quality of service."

Chief investment officer, single family office, Luxembourg

"My family office was set up by three families. It is a shared platform providing operating functions and processes and access to a shared network. The aim is to keep the family office reasonably small, there are four employees and we work extensively with external providers."

Founder, multi-family office, Germany

"There is a flaw in the concept of a virtual family office. All the investment and other activities will be sourced, and the office will consist of just two or three trusted employees. But the principal really has to trust those two or three people."

Chief executive officer, single family office, Switzerland

"Most investment-related costs are outsourced. We use external investment managers to manage investment risk, and external property managers to look after the real estate portfolio. For due diligence of private equity transactions, we employ one of the major accounting firms."

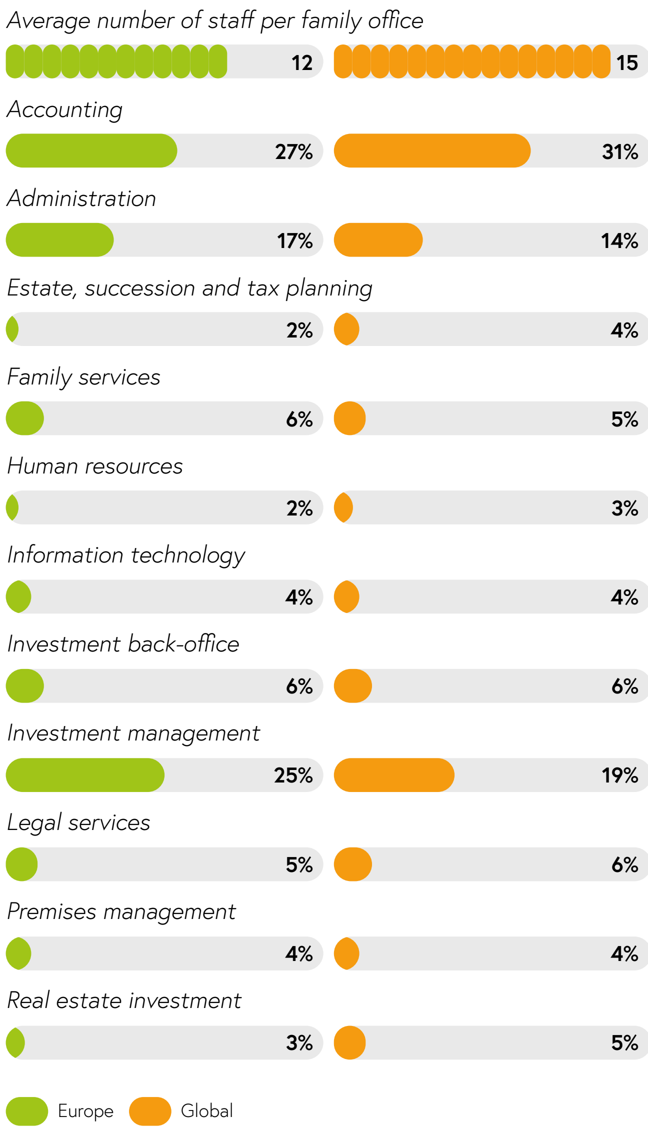
Founder, single family office, Switzerland

3.2 Human capital

Staff numbers

Most European family office employ between three and five staff members, but around half have a considerably larger workforce, pushing the average up to 12 (**Fig 3.6**). This compares with a global average of 15. If back-office and real estate functions are also included, then over a third of employees are in roles related to investment management. Accounting and legal services employ another third, with the remainder engaged in administration, family services and IT.

Figure 3.6: *Number and function of family office staff*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Earnings

Average basic remuneration of European family office CEO: US $292,000

In 2022, Chief Executives of European family offices received an average base salary of US $292,000. However, there is a significant range in salaries, with the top decile earning up to US $1 million and some earning less than US $200,000. The variation may can be attributed in large part to the fact that slightly more than half CEOs are family members, many of whom receive sub-market rates of remuneration.

Last year family offices implemented significant reductions in basic remuneration across their management structure (**Fig 3.7**). These reductions were most notable at the top levels of the management hierarchy, with average CEO remuneration decreasing by 17 percent and CIOs by 24 percent. Since remuneration is the principal element in family office costs, this development likely played a key role in cost control measures highlighted in **section 3.1**. It was almost certainly made easier by the high percentage of senior management who are also family members.

Figure 3.7: *Average base salaries of senior family office executives (US$'000)*

	2022	*2021*	*Change*
Chief executive	292	353	-17%
Chief investment officer	207	273	-24%
Chief operating officer	183	225	-19%
Chief financial officer	226	210	8%
Investment manager	225	239	-6%
Accountant	81	100	-19%

Source: Campden Wealth, The European Family Office Report, 2023

Around three-quarters of family offices pay discretionary bonuses to their senior management and executives. In a good year these bonuses typically amount to 30 to 40 percent of base salaries, but for 2022, they were significantly lower (**Fig 3.8**), serving as an additional source of cost-saving for family offices. Aside from bonuses, some larger family offices operate sophisticated long-term incentive plans. These may include co-investment opportunities and carried interest when investment returns exceed a specified level.

Figure 3.8: *Value of bonus as a percentage of base salary*

	2022	*2021*
Chief executive	27%	31%
Chief investment officer	27%	48%
Chief operations officer	18%	26%
Chief financial officer	24%	33%
Investment manager	26%	37%
Accountant	26%	19%

Source: Campden Wealth, The European Family Office Report, 2023

Recruitment and retention

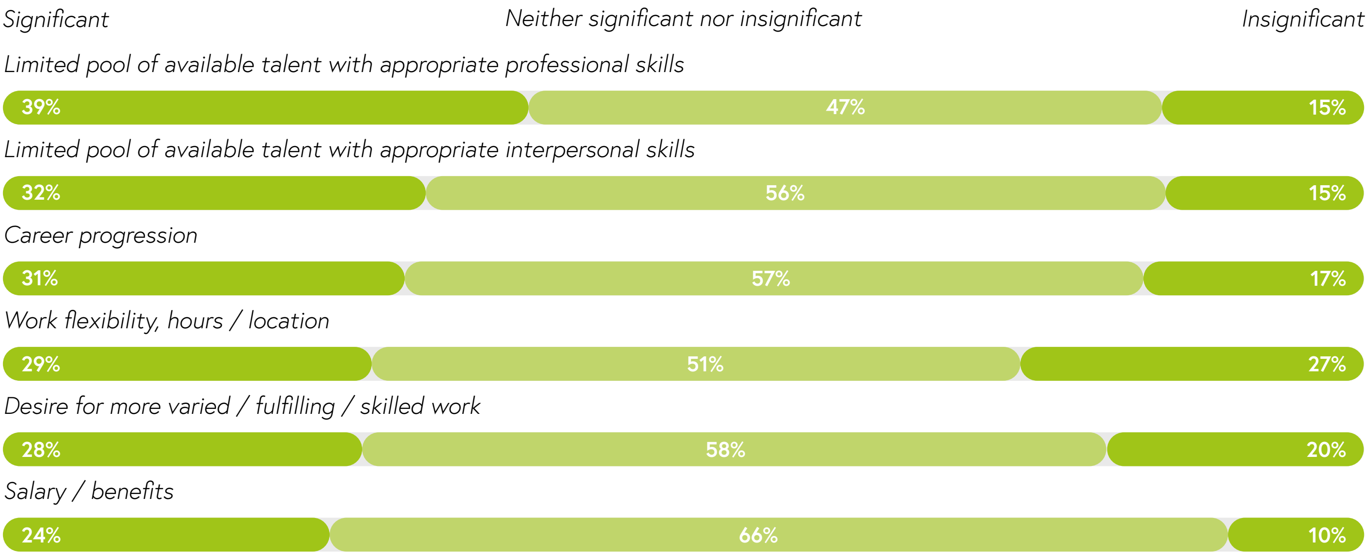
The ability to recruit staff with the appropriate skill-set is critical for family offices. Often, the pool of potential talent is found to be too small, with 39 percent seeing this as a significant constraint on their ability to hire professional staff (**Fig 3.9**). Additionally, 32 percent feel that the limited talent pool is also a constraint on their ability to hire staff with appropriate interpersonal skills. When it comes to significant factors for retaining staff, more family offices see providing career progression, flexible working and fulfilling work as more important than salary and benefits. These factors will likely become even more salient because the professionalisation of of family offices entails bringing in non-family members from commercial backgrounds.

Talent pool too narrow

"I've worked in large banks with a lot of structure. Here it's a small organisation which has advantages and disadvantages. The advantages are that we have lots of freedom, we work on lots of different projects, and we can structure our own schedule. It keeps life interesting. The disadvantages are that sometimes it's a bit overwhelming, because we have so many things going, and communication with the family can be a bit ad hoc because they are entrepreneurs, so always planning something or travelling."

Chief investment officer, single family office, United Kingdom

Figure 3.9: *Significance of issue in staff recruitment / retention*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Going virtual

A conventional Swiss family office transitioned into a virtual office several years ago. The change brought about unexpected benefits; greater flexibility, automation of back-office functions, and ability to use the best external service providers. The principal considers that he has greater flexibility than a large organisation. Intellectual capital is kept in-house, but nothing else needs to be.

Could you describe the main features of your virtual office?

"We decided to switch to become a virtual family office in 2015. We would outsource most of the services we require, like legal, accounting, investment and risk management. Correspondingly, we would pare down our internal resources. Aside from reducing costs, we found that the new system brought other unexpected benefits. It was convenient, gave us more freedom to work, and enabled us to employ the best people. And of course, with a small staff and centralised automated functions, we were able to sail through the pandemic without too much disruption."

"The great advantage of the virtual structure is flexibility. If we need to do a real estate investment in the UK, my Swiss lawyer isn't the best person, I need a London-based lawyer. But I only need him for three months whilst the deal is being negotiated, I don't need to employ him forever. Before, the family office used to employ three or four analysts to do due diligence on private equity transactions. Now we employ one of the major accounting firms, although having said that about 90 percent of our private equity transactions are club deals and so we can rely on other private equity firms for much of the due diligence."

"Our virtual office is very slim with only three full-time employees. Our overall costs are well below one percent of assets under management and internal costs are only 10-15 percent of that figure. The remainder is split almost equally between custody and performance fees paid to investment managers and the cost of other advisory services supplied by other external vendors. All our investment and risk management is outsourced to these managers and their performance is monitored by an investment committee comprising myself and three external independent directors."

"It's true our virtual office is reliant on a network of professional external providers, and this could be a source of vulnerability. But accounting firms and investment managers are replaceable. We keep the brains in-house, but we don't need to keep everything else in-house. We have access to, and can employ, the best people for every project. My view is that we have much more flexibility than a large organisation."

I've been told that virtual offices are heavily reliant on technology. Which new technologies do you take advantage of, and which have proved the most useful?

"Everything is in the cloud; we don't use servers anymore. But choosing the right cloud system is critical. It needs a very good security system with two-factor authentication and VPN to access it. The advantage is that every computer and laptop is automatically backed-up. As a precaution against theft and fraud we also employ an Identity and access management system to ensure that users only have access to those parts of the network to which they are entitled."

"A really important piece of technology is our wealth aggregation software, which tracks the market values of financial instruments held by multiple institutions and allows this information to be consolidated onto one computer or mobile phone screen in real-time. The software system we use employs a high standard encryption, is web-based (removing the need to download software onto devices) and has extensive digital connectivity to financial institutions so that assets held by banks and investment managers can be easily aggregated. True, private equity, real estate and life-style assets have to be entered manually, which is time-consuming. Initially, I felt compelled to manually check all the output against my own spreadsheets. But once the system was up and running and I came to trust the output, it literally saved hours every day."

"Elsewhere more or less every process in the office is fully automated. We have automated payroll and investment reporting. But we don't use proprietary trading systems because trading is outsourced to investment managers."

How do you attempt to mitigate operational risk?

"Here are my three tips for mitigating operational risk. First, dual authorisation of payments, this is quite standard everywhere these days. Second, VPN internet access particularly when travelling. Third, never download any new software or app onto your mobile phone or computer."

"My biggest concern is cyber-attacks. We haven't had a cyber-attack and we have taken every sensible step to mitigate the risk by using the cloud rather than our own servers and relying on outside professionals to maintain our computer network. But we can't allow ourselves to get complacent."

4. Operations and governance

4.1 Technology
- The latest thing
- Aggregation software

4.2 Operational risk
- Risk mitigation
- Cybersecurity
- Case study – The technology challenge

4.3 Governance
- Purpose
- Structures and documents
- Effectiveness

4.4 Succession
- Family leadership
- Succession plans

4.5 Philanthropy
- Charity vs. philanthropy
- Family cohesion

4. Operations and governance

- Cybersecurity is the most common concern of family offices, cited by 51 percent of respondents. While 11 percent reported experiencing a cyber-attack in the past 24 months, no family office recorded a significant financial loss. Coming behind cyber-attacks, 38 percent of families were concerned by their increasing tax, regulation, and compliance burden.
- European family offices are keen to embrace technology solutions to improve efficiency and security and eliminate error. Surprisingly, a significant percentage of family offices that do not currently use certain technologies, notably customisable accounting software and automated investment reporting, are interested in using it. Wealth aggregation platforms, which enable family offices to consolidate financial data from multiple sources, are gaining traction.
- Family offices see their top priority as determining investment policy and managing investment risk, followed by communication with family. It's no surprise that an investment committee, found in 85 percent of European family offices, is the prevalent governance structure. Family councils are much less common and found in less than half of all family offices.
- Family offices are viewed as effective at making informed decisions (82 percent), ensuring capable leadership (69 percent), and protecting family values (62 percent). They are seen as less effective in fostering collaboration and avoiding conflict between family members.
- Successful succession planning involves early introduction of next generations to family values (92 percent) and a willingness of the existing family leadership to embrace the succession issue (88 percent). Conflict between family members over succession issues appears more common in European families than those in North America and Asia-Pacific, which may be connected to the willingness of their leaders to engage in difficult conversations.
- Three-quarters of European family offices engage in philanthropy. Half of these families donate more than US $1 million each year. Popular causes are education (68 percent), healthcare (47 percent) and community development (44 percent).

51%

cite cybersecurity as primary concern

85%

have an investment committee

82%

view their family office as effective decision maker

4.1 Technology

The latest thing

Family offices in Europe are embracing various technology solutions, including cloud-based data storage, mobile access, automated payroll systems, and financial market information with adoption levels exceeding 80 percent (**Fig 4.0**).

While customisable accounting software and automated investment reporting (covering risk, portfolio management, and order execution) are well established, adoption by family offices is far from universal. Surprisingly, a significant percentage of family offices that do not currently use these technologies express interest in doing so. Possibly the hesitation in adopting certain technologies could be attributed to cost considerations and the limited scope of certain family office activities rendering the necessary investment uneconomic. However, it's essential for family offices to consider the long-term benefits and efficiencies that technology can offer, even if there are initial implementation costs. Not doing so could prove short-sighted.

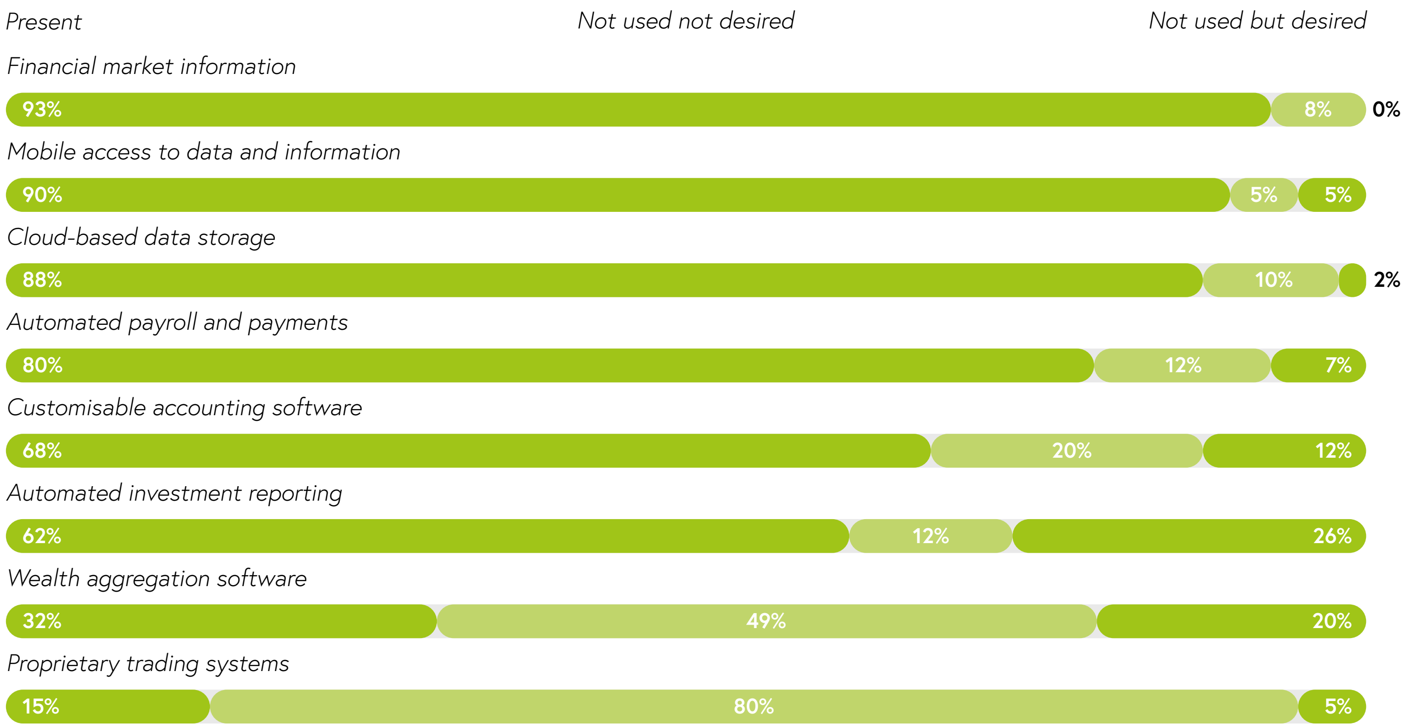
"Technology is a significant cost. But there are developments every day and therefore we don't know what the end product will look like. Will it be better than what we have already? It's almost always better to delay than be an early adopter. If you upgrade in five years' time rather than today, then the technology will definitely be better and most probably cheaper too."

Chief executive officer, single family office, Switzerland

"If you adopt new technologies and make the transition then they do make work functions easier, and reduce running costs. But in order to get there, you have to make significant investments not only of money, but also time."

Founder, multi-family office, Germany

Figure 4.0: *Presence and usefulness of technology platforms used in family offices*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"Forgoing investment in technology can be a really short-sighted move. It's tempting to do this because technology is always viewed as a cost. We never consider the secondary benefits once it's up and running, like having better management information or releasing staff from more tedious tasks."

Founder, single family office, Switzerland

"For standard financial investments, automating investment reporting is relatively easy and straightforward. But when it comes to alternative asset classes, for us principally real estate and private equity, much has to be done on a manual basis with Excel spreadsheets. The technical possibilities are improving, but they are still not that sophisticated. I hear from my network to other family offices; they all have the same problem."

Chief investment officer, single family office, United Kingdom

Aggregation software

Wealth aggregation platforms providing a comprehensive view of an organisation's financial landscape by consolidating data from multiple banks and investment managers are emerging as valuable tools for family offices. While adoption levels are currently modest (32 percent), there is growing interest among family offices in harnessing the capabilities of these platforms.

The most effective wealth aggregation platforms are those capable of accommodating the intricacies of family office operations, taking account of legal structures like trusts and limited liability companies, and individual and group interests tied to these structures. Moreover, these platforms must be versatile enough to handle the unique characteristics of financial assets, ranging from the redemption cycle of debt securities to the capital call dynamics of private equity, as well as lifestyle assets like art or cars.

This technology has the potential to significantly enhance the operational efficiency and financial oversight of family offices as they manage complex and diversified portfolios. In our survey nearly a third of family offices which don't employ this technology expressed an interest in doing so (**Fig 4.0**). We anticipate adoption levels rising steeply in the near future.

"The principal wants a picture of total net worth at the press of a button but we simply don't have the capability. It would be really helpful to have a single source of truth, without having to rely on third-party systems, or waiting for the accountants to spend months preparing the consolidated balance sheets."

Chief investment officer, single family office, United Kingdom

"We are reliant on external providers for aggregated wealth reporting. We don't intend to bring this in-house even though we are seeing a trend towards this. Other family offices lease the software from various providers and train their people to use it. But the software is costly, complex to use, and needs a lot of management attention. We have gone in the opposite direction, finding external providers who can offer us full-service reporting. It's considerably cheaper and it works fine."

Founder, single family office, Switzerland

"The data we need for private equity investments is basically twofold. First, information on the status of funds, their asset allocation, where they are invested and their historic performance. This is information we collect from the private equity firms themselves. Second is liquidity cash management. We want to know, as exactly as possible, when to expect new drawdowns or we might expect paybacks so that we can manage our own internal liquidity. There are providers who provide you with estimates for prospective drawdowns or paybacks, but this information is costly. We don't have that many limited partnership investments, so for us it would not be worth it."

Chief investment officer, single family office, Switzerland

4.2 Operational risk

Operational risk is a shared concern across all types of organisations, but family offices face unique challenges related to the physical security and personal privacy of family members as well as the safeguarding of financial assets. Family offices must be vigilant against fraudulent activity by those seeking to exploit their role as custodians of substantial wealth.

Unsurprisingly, cyber-attacks and data breaches are the most frequently cited operational risks causing concern for 51 percent of European family offices (**Fig 4.1**). Those family offices which are not concerned (33 percent) or unconcerned (15 percent), likely base their confidence on the robustness of their own cybersecurity measures.

The second concern, mentioned by 38 percent of European family offices are tax, regulatory and compliance issues. Cross-border taxation has become increasingly complex with digitalisation, and remote working, while governments are keen to find new sources of revenue. Further, recognising that family offices have some of the characteristics of hedge funds, regulatory authorities are requiring greater transparency of information.

Cybersecurity and compliance head operational risk concerns

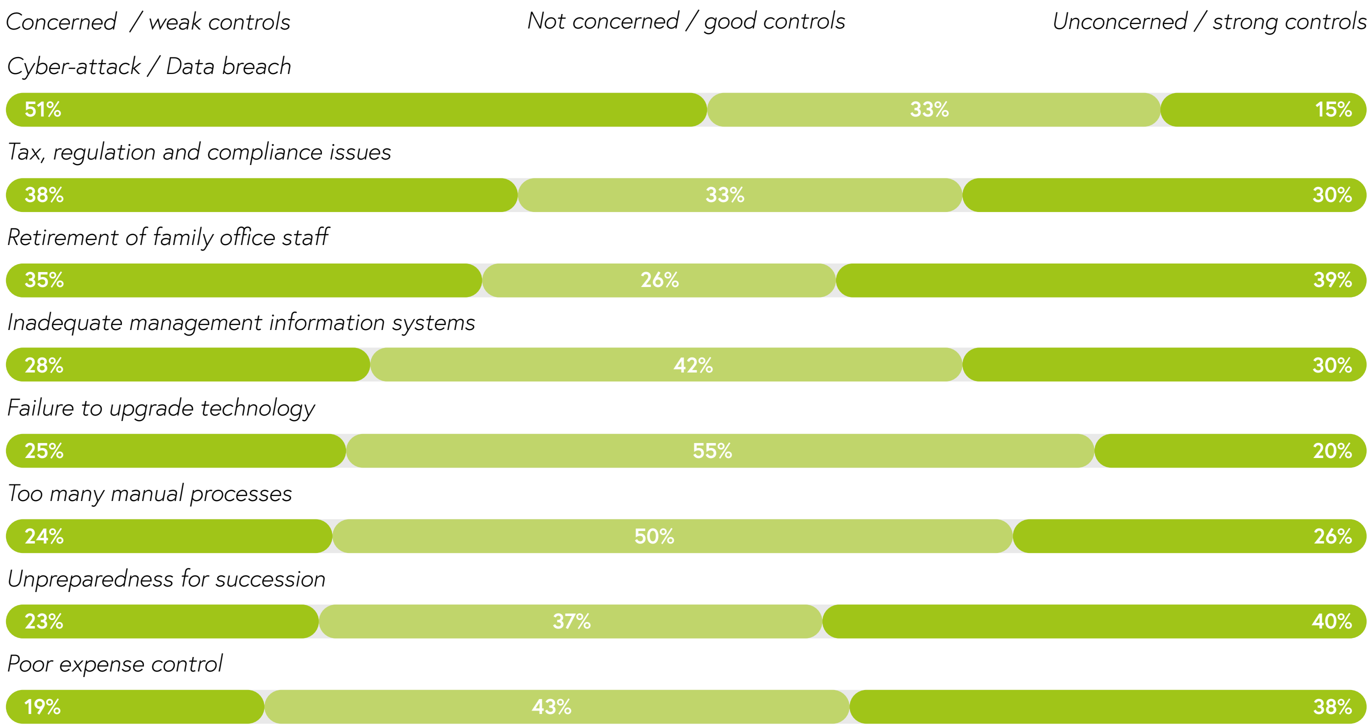
Interestingly, factors that could be considered concerning for family offices, such as the failure to upgrade technology, and reliance on too many manual processes, do not appear to be causing significant alarm among European family offices. Only around a quarter of them report concerns about these issues, suggesting that the rest have well-established processes, controls, and up-to-date technology solutions. In contrast, much higher percentages of family offices in North America and Asia-Pacific (40-60 percent) express concerns over these same issues.

Operational risk is paramount for family offices as they navigate these challenges and work to safeguard family wealth and security.

"The regulatory burden keeps on increasing. Perhaps we could find legal structures which are subject to less regulation but ultimately, we are guardians of the family's capital; we have to ensure things run smoothly even if it creates a lot of workflow."

Founder, multi-family office, Germany

Figure 4.1: *Percentage of family offices expressing concern over specified operational risk*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Risk mitigation

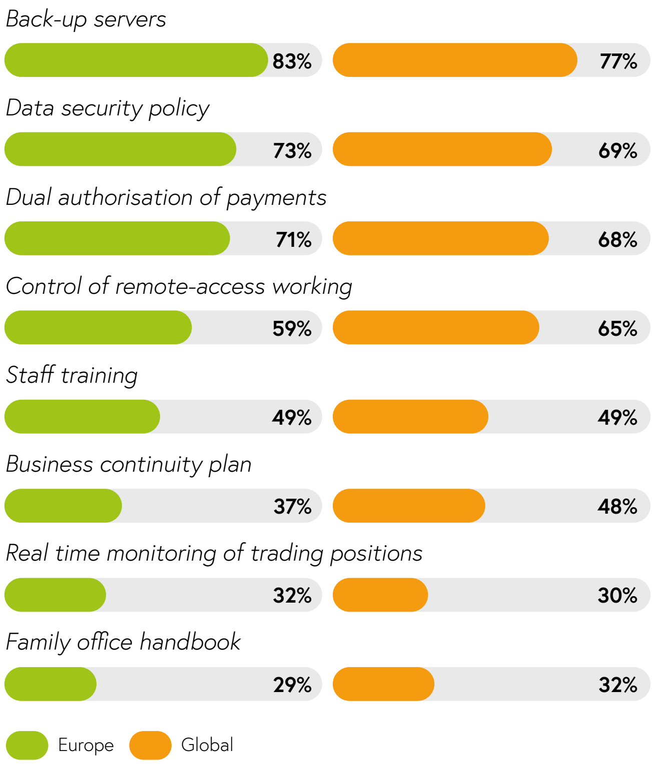
Having highlighted the most prominent operational risks, **Fig 4.2** lists the measures family offices adopt to counter them. As a defence against cyber-attacks and IT system failures, 83 percent of family offices employ back-up servers and 73 percent enforce a data security policy. Dual authorisation of payments (71 percent) has become the standard defence against theft and fraud, but to a lesser extent family offices also rely on staff training (49 percent) and their own family office handbooks (29 percent). In most instances, adoption of measures by European family offices is greater than their uptake by family offices globally. However, proportionally fewer European family offices have a business continuity plan detailing how operations might continue in the event of a natural disaster or other emergency.

"We are a very large family office with more than 20 employees, and we view ourselves as a professional institution. When a payment is made four separate people have to check it. By contrast we know of a smaller family office where only one person was responsible for making the payment of capital calls. Our processes are resource-heavy and expensive, but our principal believes that's a small price to pay to eliminate expensive errors and fraud."

Chief executive officer, single family office, Switzerland

Dual authorisation is standard

Figure 4.2: *Percentage of family offices with identified measure to reduce operational risk*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Cybersecurity

The survey reveals that 11 percent of European family offices have been victims of a cyber-attack in the past 24 months. This percentage is notably higher than the incident rate among family offices in Asia-Pacific (only three percent) but much lower than the experience of North American family offices (19 percent).

The majority of these incidents were simple phishing attacks which left no family suffering a material financial loss, system outage, or data breach. However, a small percentage reported an insignificant loss. Overall, the reported frequency and severity of cyber-attacks is lower than we might have expected. Perhaps the faith that 48 percent of family offices have in cybersecurity is soundly based.

"We have a very robust IT system designed by external consultants and manned by four employees. It needs to be robust because on one particular day last year we had 6,000 phishing emails."

Founder, single family office, Switzerland

"Nowadays hackers are extremely sophisticated, and we are their target because they know family offices make large payments to family members."

Chief executive officer, single family office, Switzerland

"Our protocol requires that when we get an email asking for money, we phone the family member to confirm, and every payment requires two-factor authentication of the recipient and dual authorisation at our end."

Founder, multi-family office, Germany

The technology challenge

Managing the operations of a small Spanish family office has its own challenges. There are too many manual processes, bespoke wealth aggregation software is only just becoming available, and cybersecurity needs to be constantly monitored. Nonetheless the managing director of this single-family office sees its value in keeping the family together.

What technology does your family office employ?

"Here in Spain, family offices are very private, there's no public information on how they operate, their cost structures, their asset allocations, or the technologies they use. So getting a view on what is best practice is virtually impossible."

"A big problem for offices everywhere, and family offices in particular, is manual processes being done on ad-hoc spreadsheets. True, spreadsheets are fantastically useful and versatile, but generally only one person has access and understands them and so processes become vulnerable when specific staff members are not available or leave the family office."

"For example, in real estate we have a large residential portfolio. Information on rents, tenancy agreements, floor plans are all held on a variety of different spreadsheets. This makes the day-to-day management of the portfolio tricky, and it's difficult to accurately allocate costs and determine yields on individual properties and developments. Most of this information could be uploaded into a wealth aggregation platform, a number of which have recently become available. We have looked at most of them and identified the one that works best for us, although we haven't, as yet, taken the plunge to acquire it."

"Just as all family offices are different, there is no one size fits all when it comes to wealth aggregation software. Some, like the one we've chosen, are designed for a relatively small family office. Others are designed to cater for very large families stretching over three or four generations. There's a very wide price differential between these two groups. For us the additional cost of software capable of handling more complex issues wasn't justified."

"Although I've complained about manual processes there is a positive side. You retain control over almost everything. Some big risks are avoided. If you use a computer there's a risk of being hacked, if you use cloud technology there's no way of knowing who can access your data. Some of the processes we use, like sending orders by fax or locking physical assets in a safe might appear entirely antiquated, but we stick with them because they have been used for the past 50 years and they have proved highly effective."

How is the family office structured?

"The family is rather small, it's just my parents and siblings, including myself. My father, my sister and I are involved in the day-to-day operations, but my mother and brother are not. In order to professionalise the family office, we have a family council and an investment committee. The council includes all five of us and is the forum for discussing all family-related issues such as succession planning and philanthropy, whereas the investment committee is just the three of us and an independent advisor who works in the family office and is a lot more quantitative, researching different investment vehicles, asset allocations and returns. Our structure, which was implemented when the family office was established several years ago, works very well for us even though it's normally associated with a much larger family office."

What do you consider the main function of the family office?

"The primary objective is a successful transition of family wealth across the generations. That's why a succession plan is an absolute necessity. If you don't have a succession plan, then you are not complying with your objective. Likewise, it makes no sense to have an investment policy if you don't have a mechanism in place that enables you to securely transition wealth across the generations. We've had some success already in that wealth has already been transferred from the first to second generations following a liquidation event. This has had the beneficial effect of ensuring the second generation are more involved with the family office."

"I'd also consider setting up the family office as a first step in establishing a family legacy. By this I mean recognising what has been done for us by previous generations and trying to replicate that for future generations. The way we express this is to say that we are not here to become richer, we are here to preserve family wealth. This permeates our investment strategy. Our objective is to preserve capital rather than grow it aggressively, and we always consider risk adjusted returns. Not only do we want to minimise the riskiness of the portfolio, but we also want to minimise the time spent thinking and worrying about it. Life's too short."

"We know a lot of family offices that spend a lot of their time managing their portfolios and increasing their wealth by getting involved in some very complicated business ventures. For us, the real wealth is finding the balance between family cohesion and management of the portfolio."

4.3 Governance

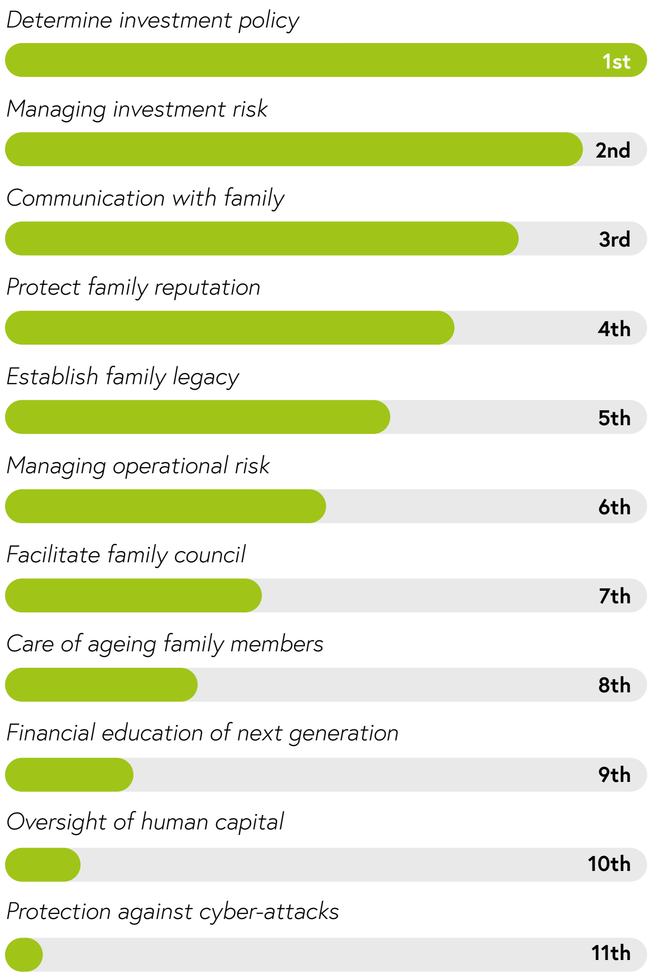
Purpose

Traditionally, the purpose of family offices has been the collaborative management and safeguarding of family wealth, both in the present and for the benefit of future generations. This fundamental purpose remains highly relevant for European family offices, as evidenced by their prioritisation of governance objectives. Determining investment policy and managing investment risk are listed in first and second place (**Fig 4.3**).

Investment management seen as primary purpose

However, family offices also place considerable emphasis on other key aspects of governance, such as effective communication with family members, protecting the family's reputation and establishing a family legacy. The financial education of the next generation, oversight of employees and cybersecurity are functions of the family office but not viewed as governance priorities.

Figure 4.3: *Ranking of family office governance priorities*



Source: Campden Wealth, The European Family Office Report, 2023

While investment management is widely regarded as the primary purpose of a family office, it's important to note that not everyone shares this perspective. Several respondents in our survey expressed a differing viewpoint.

"The family office has to communicate with the family. This gets harder the larger the family becomes. We organise a family weekend get-together once or twice a year to discuss investments, philanthropy, and the family mission but this is probably not enough."

Chief investment officer, single family office, Luxembourg

"The family offices handles the day-to-day administration of investments. The family is happy to leave it to the professionals, and this is seen as their primary task. In turn the family office tries to keep the family members engaged through regular meetings and other communications."

Founder, single family office, Switzerland

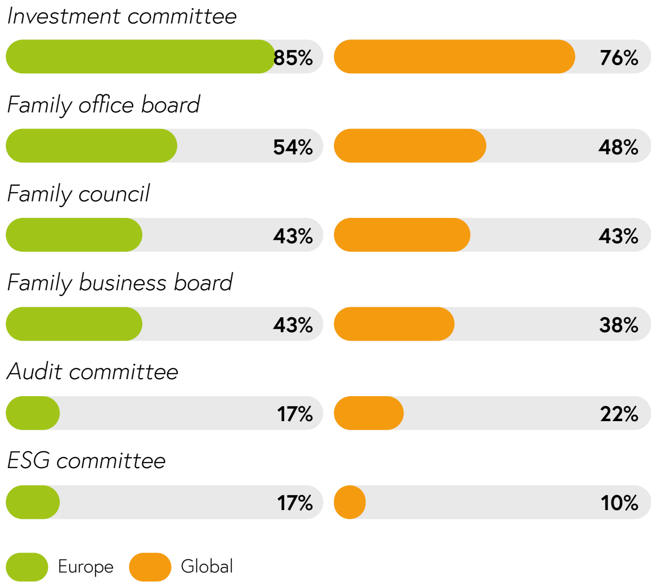
Structures and documents

Structures and documentation play a crucial role in shaping the operations of European family offices. Among these structures, the most prevalent is the investment committee, which is found in 85 percent of family offices. However, a family office board to oversee the family office itself is present in only 54 percent of cases. Typically, a family office board only becomes a necessity when the family office is fully professionalised and not exclusively controlled by the family, otherwise a family business board may suffice.

Additionally, less than half of survey participants have a family council; generally this is more common in larger extended families spanning multiple generations. Frequently families utilise two or three of the structures in **Fig 4.4**, of which one will almost invariably be the investment committee.

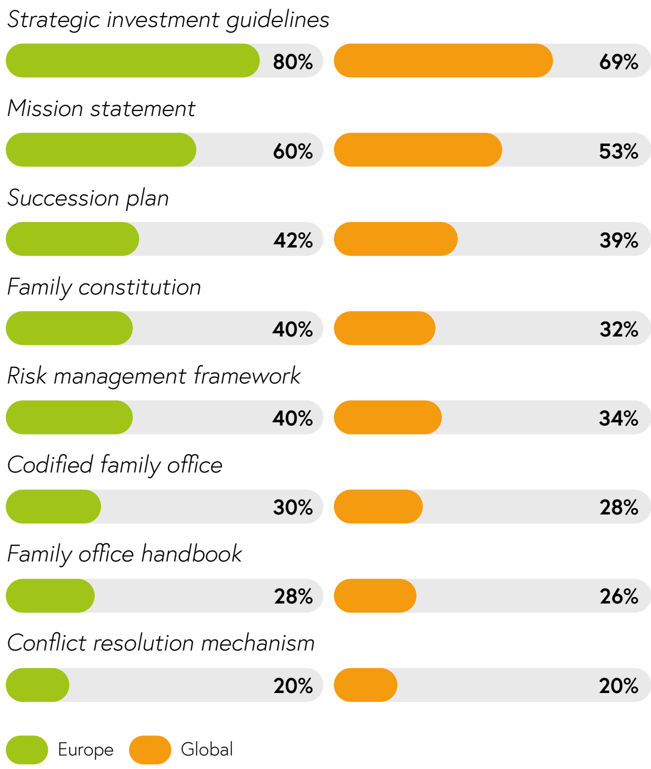
Regarding documentation, given the importance of investment management, 80 percent of family offices have documented strategic investment guidelines (**Fig 4.5**). 60 percent have a mission statement, and 40 percent a family constitution both providing a sense of purpose and unity. In all these categories, governance documentation is much more common in European family offices than those in North America and Asia-Pacific. Interestingly, a fifth of families, both in Europe and globally, have specific legal mechanisms for resolving conflicts between family members.

Figure 4.4: *Governance structures commonly found in family offices*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 4.5: *Documentation commonly forming part of family office governance*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Effectiveness

Family offices have a strong perception of their effectiveness in two critical areas (**Fig 4.6**): making informed decisions (82 percent) and ensuring capable individuals hold leadership positions (69 percent). However, when it comes to their core function of passing wealth from one generation to the next, only 60 percent see themselves as effective (**Fig 4.6**).

At the other end of scale, family offices are perceived as less effective in facilitating collaboration among family members (59 percent) and preventing conflict between them (54 percent). These areas may require more attention, and strategies to enhance family unity and cooperation.

"We have a family constitution, an investment policy, and we hold family strategy meetings and run an educational programme. The most important element is the family constitution, and it will become more important as the family becomes multigenerational. It will provide a good starting point but doubtless the next generation will want to change it to some degree."

Chief investment officer, single family office, United Kingdom

"If a family office just concentrates on investment, then they are probably not thinking enough about governance, strategic problems, and helping family members meet their own individual challenges. My multi-family office aims to be the first point of contact where family members can go if they have problems."

Founder, multi-family office, Germany

"Management of the family office evolves with the family. Our patriarch is still very active, and he is the investment committee. But we are going to invest in setting up a proper governance structure for the family office so that the family office can continue after my generation is no longer here."

Managing director, single family office, Spain

The right personnel in the right positions

Figure 4.6: *Perceived effectiveness of family office governance at facilitating:*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

4.4 Succession

Family leadership

Succession planning presents unique challenges, particularly when it comes to determining who should hold top leadership positions. While family offices generally excel at placing qualified individuals in various roles, the ultimate responsibility for top leadership positions, such as Chairman or Chief Executive, frequently rests with the family.

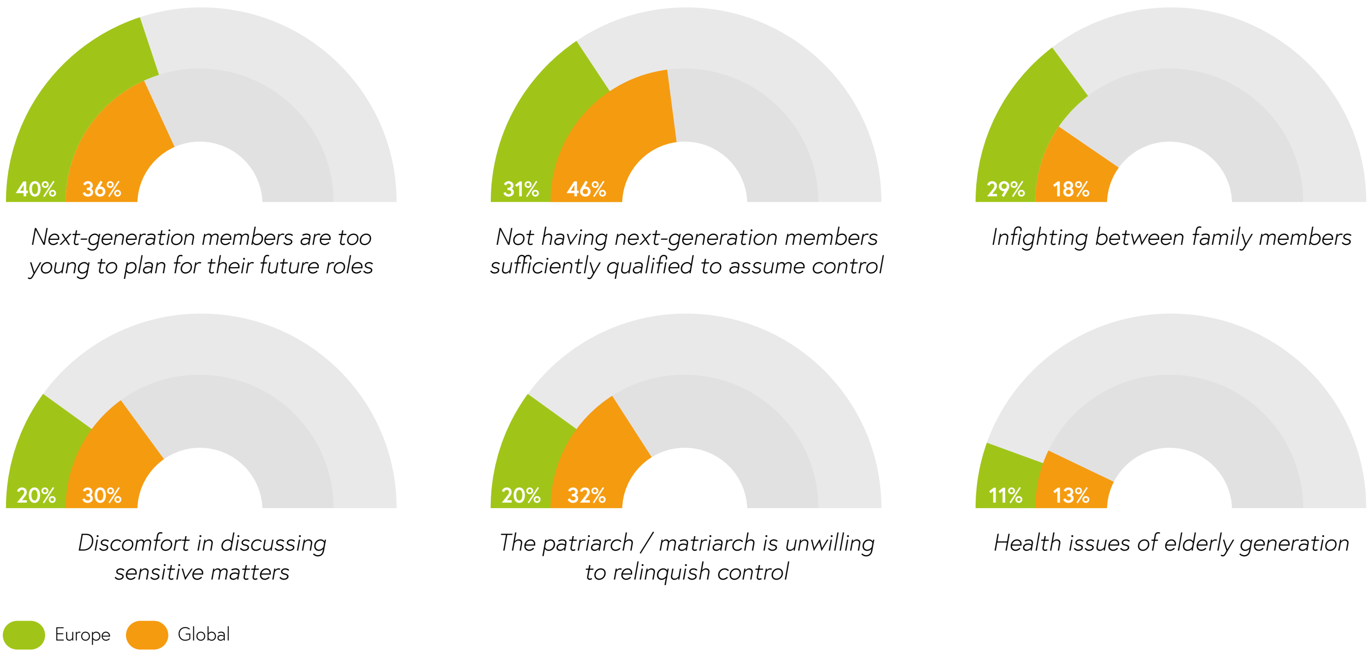
Next-gens are often simply too young

One of the most significant challenges in succession planning is that next-generation family members are too young (40 percent) or perceived as inadequately qualified (31 percent) to assume leadership roles (**Fig 4.7**). This situation can be attributed to the relatively recent establishment of the family offices in the survey (two-thirds were established this century) and so founders are still active and with relatively young families. Interestingly, conflict between family members over succession issues appears more common in European families than those in North America and Asia-Pacific, and this may be connected to the willingness of their leaders to engage in difficult conversations.

Start educating early

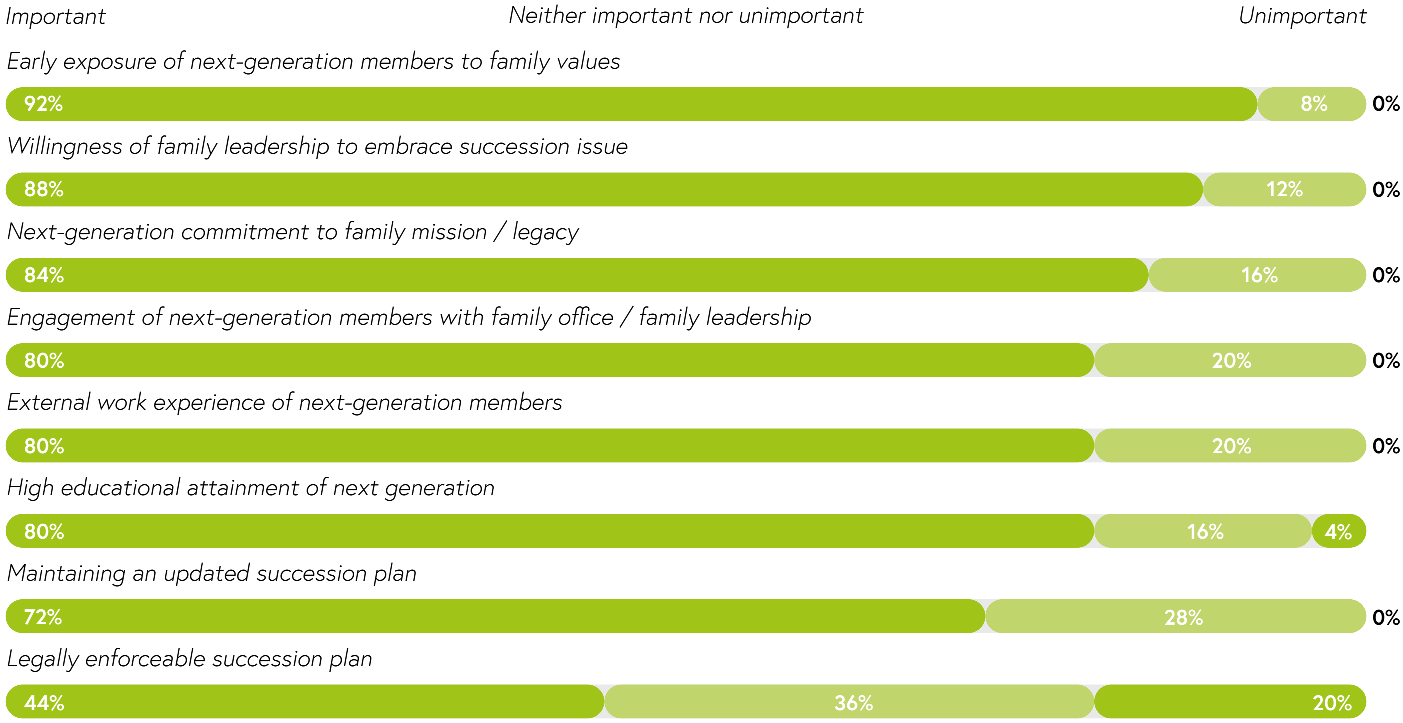
To engage effectively in succession planning, family offices should begin by introducing next-generation family members to family values (92 percent) and encouraging their interaction with the family office and family leadership (80 percent). These factors are deemed as important as the next generations' educational qualifications and external work experience. Ultimately, the willingness of the existing family leadership to embrace the succession issue is critical (88 percent). Early and open communication within the family can help address these challenges and ensure a smooth transition of leadership roles.

Figure 4.7: *Challenges to succession planning*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Figure 4.8: *Factors important / unimportant for successful succession planning*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"The family always hopes that their children will want to take care of them and the family wealth and the family legacy. They provide them with a really good education, and work experience outside the family business. But he or she might decide to do something entirely different."

Chief investment officer, single family office, United Kingdom

"Start educating your children early, even before they are in their early teens. Around that time they'll begin learning more from their peer group than their parents. They will soon realise that they are different from their friends and will begin asking questions. Initially, parents should educate their children about the family heritage."

Chief executive single family office, Switzerland

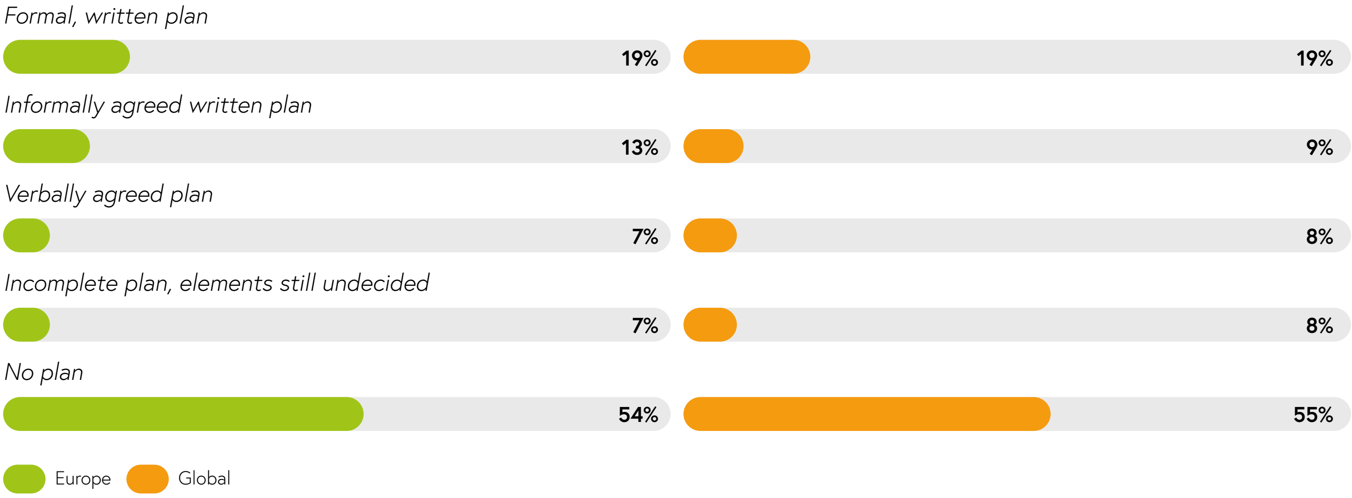
"We encourage the next-gens to get engaged. This all started 25 years ago with the first generation, but now their children are coming of age and we need to encourage them. We encourage them to get with the family council and give us their ideas."

Managing director, single family office, Spain

Succession plans

Fig 4.8 highlights that having a formal plan is a useful but not sufficient element for ensuring successful succession planning. This is especially relevant because less than half of European family offices have any sort of plan, and many of these plans are informal, verbal, or incomplete as shown in **Fig 4.9**. These findings are consistent with the situation in family offices globally.

Figure 4.9: *Percentage of family offices with succession plan*

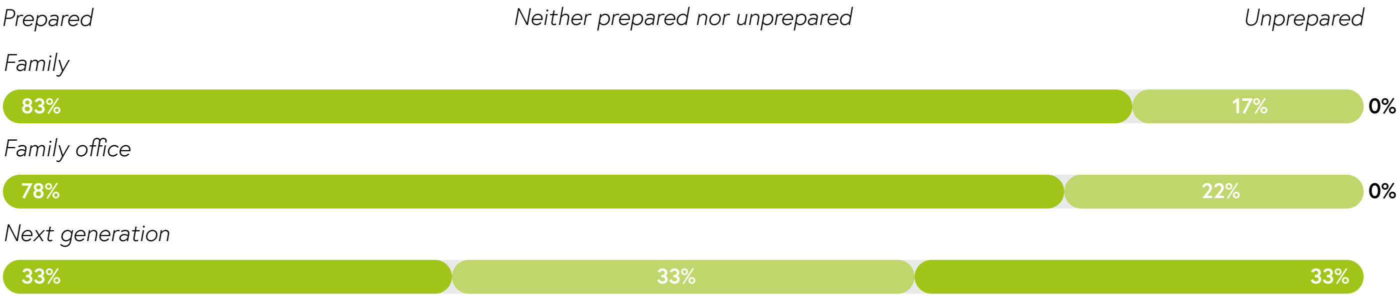


Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

Less than half have a succession plan

Surprisingly, despite the absence of formal plans, 78 percent of family offices consider themselves well-prepared for succession (**Fig 4.10**). In most cases, they also believe their respective families are also well-prepared (83 percent). However, the challenge lies with the next generation. Only 33 percent of family offices view their next generation as adequately prepared. This aligns with the observation that 30-40 percent of all family offices perceive their next-generation members as either too young or inadequately qualified to assume control. On a global basis, proportionately more European family offices believe they and their families are prepared than North American and Asia-Pacific family offices.

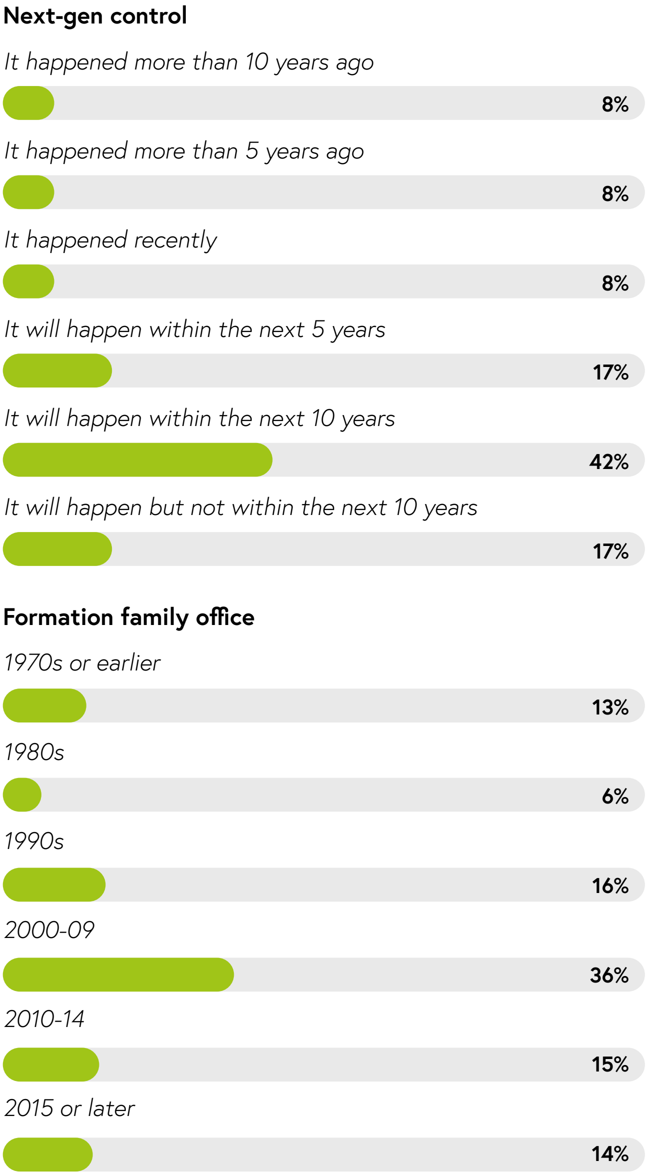
Figure 4.10: *Preparedness for succession*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

For 24 percent of European family offices, the next generation has already assumed control (**Fig 4.11**). These likely come from the 35 percent of family offices that were established in the 1970s, 1980s, and 1990s. Going forward, the pace is set to speed up: 59 percent of family offices anticipate the transition happening within the next 10 years. Presumably, these will come from the cohort of family offices (51 percent of total) established between 2000 and 2014. Overall, survey results confirm the pace of leadership transition and generational wealth transfer will accelerate, driven by the surge in family office formation immediately after the turn of the millennium.

Figure 4.11: *When the next generation is expected to assume control and date of formation of family office*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

"We do have a succession plan, but you never know what is going to happen. My family spent many hours planning what would happen when my father died. But sadly, it was my mother who died. Thankfully my father is still strong and healthy, but we had to change everything in the plan."

Chief executive, single family office, Switzerland

"One of the biggest challenges is providing a cross-generational service. The family office needs to be organised in such a way that it can bridge the generations and have a succession plan in place. That's easier said than done. Because most of the family offices, including ourselves, consist of a handful of people and we don't have the broad expertise of a financial advisory firm or a law firm."

Chief executive officer, single family office, United Kingdom

"I am an advisor to the senior people in the family today. But it's not a given that the younger generation will accept me as their advisor as well. So, my challenge is to build a team that addresses the wishes and concerns of the younger generation. Otherwise, as the family office staff get older and the senior family members pass away, we will lose the connection between the family and their family office."

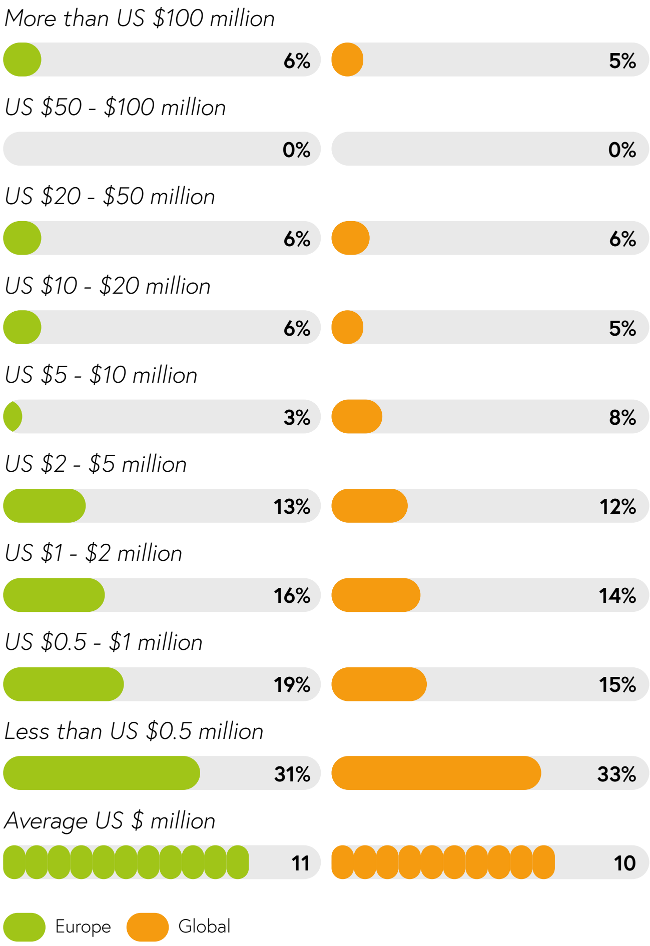
Founder, multi-family office, Germany

4.5 Philanthropy

Charity vs. philanthropy

European family offices exhibit a strong commitment to philanthropy, with 65 percent making philanthropic donations, compared to the global average of 69 percent. Half the families make donations of more than US $1 million, producing an average donation of US $11 million (**Fig 4.12**).

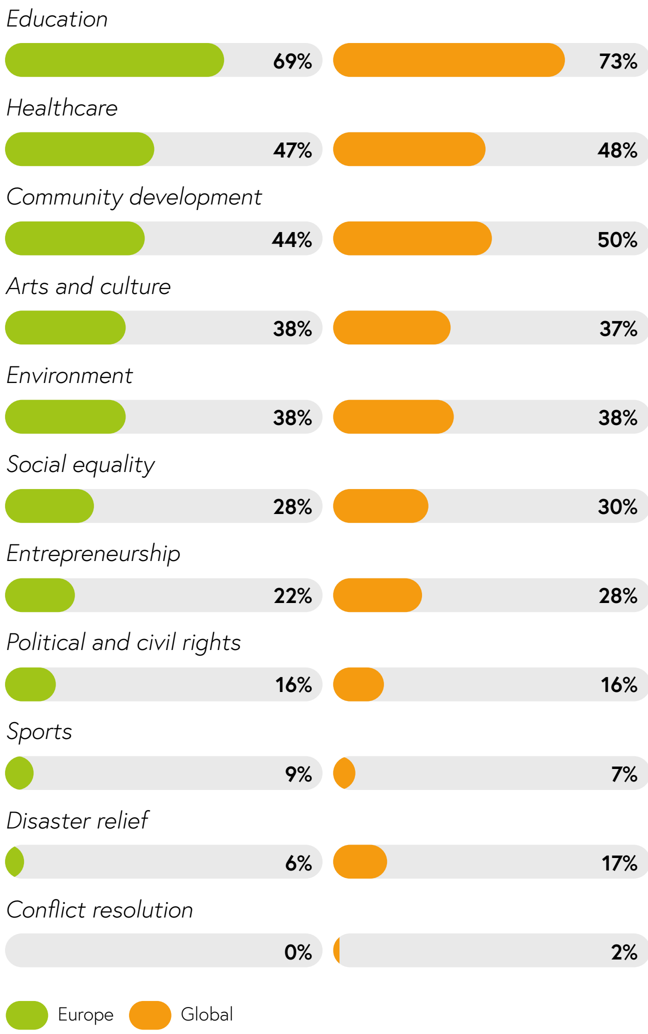
Figure 4.12: *Percentage of philanthropic donations within band*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

These donations are described as philanthropic rather than merely charitable, reflecting family offices' efforts to address the root causes of problems rather than providing temporary solutions. The causes they support are indicative of this approach, with the top three being education (69 percent), healthcare (47 percent), and community development (44 percent), all of which require extended commitment (**Fig 4.13**). In contrast, a smaller percentage (six percent) support disaster relief efforts, which tend to be one-off contributions linked to specific natural disasters.

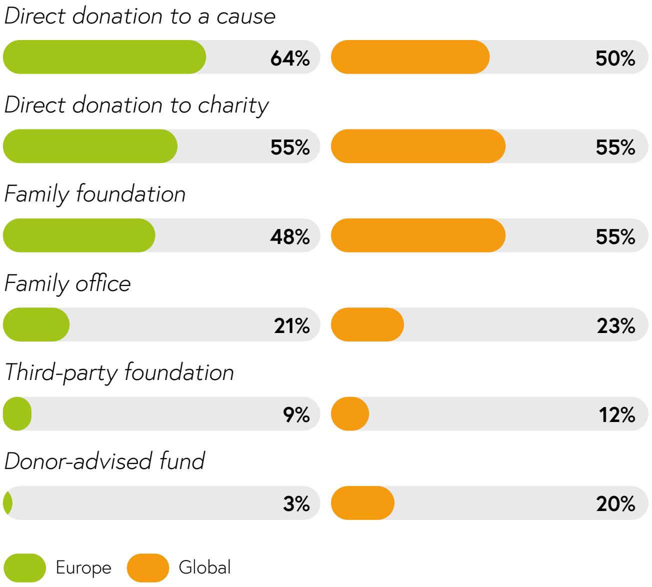
Figure 4.13: *Percentage of families supporting cause*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

This long-term commitment is reinforced by the fact that 48 percent of surveyed families have established their own foundations (**Fig 4.14**). Foundations provide the opportunity for family members to actively participate in their administration and governance.

Figure 4.14: *Vehicles used by family use for philanthropic giving*



Note: Multiple answers permitted.
Source: Campden Wealth, The European Family Office Report, 2023

Family cohesion

Generally, philanthropy is seen as a factor strengthening family values and cohesiveness and 60 percent of respondents subscribe to this view (**Fig 4.14**). But there is ambivalence regarding other supposed advantages of certain philanthropic strategies. For instance, significant percentages do not believe that impact investing can be more appropriate than philanthropy, or that a time-limited philanthropic strategy will have well-defined goals.

"We analyse proposals from foundations and charities, weighing up their potential impact against their cost in much the same way as we look at private equity investments. Then, if the project looks interesting, we will finance it. We provide support for both short-term humanitarian emergencies and long-term research and educational projects."

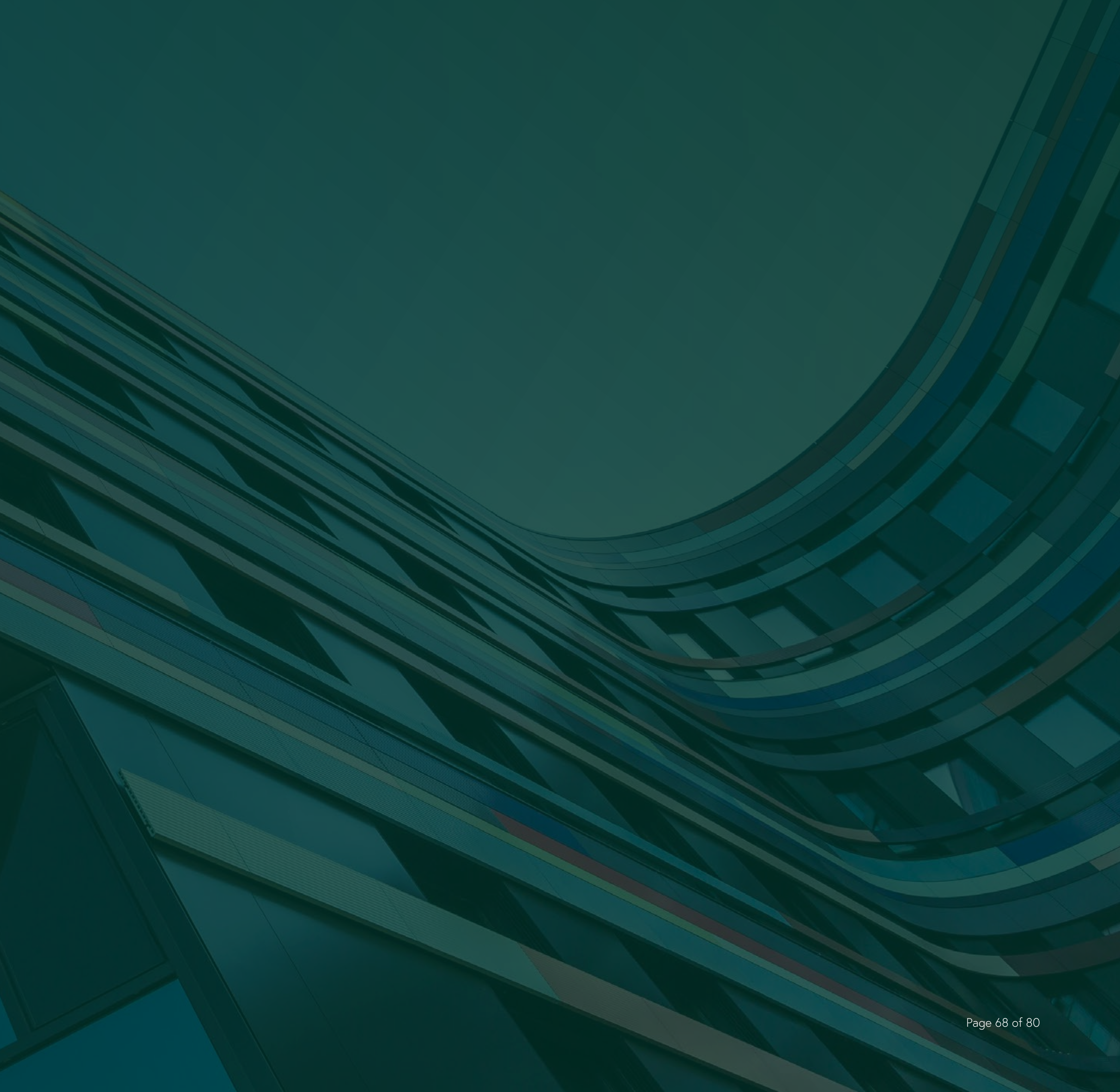
Founder, single family office, Switzerland

Figure 4.15: *Thinking about the family's attitude towards philanthropy, do you agree with the following statements?*

Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

5. Conclusion

- Looking ahead – Key findings from the report



5. Conclusion

Looking ahead – Key findings from the report

In conclusion, this report sheds light on various aspects of European family offices, revealing both their strengths and areas for improvement, as they continue to evolve and adapt in a changing landscape. While overall satisfaction is high, there are areas with potential for improvement.

High satisfaction but room for improvement

More than 70 percent of respondents expressed satisfaction with their family office's investment options, dedicated staff, and capacity to handle complex activities (**Fig 5.0**). Family offices are also perceived as proficient at handling privacy issues (69 percent) and estate and tax planning (65 percent), while offering value for money (67 percent).

On the flip side, there are functions and attributes that family members and executives believe could be enhanced. These include services provided to family members (concierge, security, travel), succession planning, and next-generation education.

Proactive investment management

Despite challenging financial markets during 2022, family offices fared relatively well. Although a third of family offices reported a reduction in AUM, 53 percent reported an increase, with 16 percent reporting an increase of more than 10 percent. We attribute this to proactive decision-making and input from internal and external investment managers.

Technology: don't be short-sighted

There's noticeable interest in adopting new technologies among family offices. Even among those that currently don't use specific technology tools, there's a significant percentage interested in using it in the future. In some cases, it may be the case that the cost of new technology is too high and the scope of family office activities too limited to merit the incremental investment. But embracing technology can help reduce manual tasks, lower the risk of data loss or errors, and enhance security.

Investment or governance?

Family offices primarily see their role as managing investment risk. But there also needs to be a focus on governance. For instance, only 60 percent have a mission statement and only 46 percent a succession plan. There could be more work to do here.

Leadership transition to accelerate

Going forward, the pace of leadership transition and generational wealth transfer is set to speed up. Fifty nine percent of family offices anticipate their next generation will assume control within the next decade, driven by the surge in family office formation immediately after the turn of the millennium.

Expect cultural changes

The leadership transition may well lead to a culture shift. Next-gens will bring different attitudes to important issues such as sustainable investing and work-life balance. The professionalisation of family offices means more recruitment of staff from commercial backgrounds may also change the culture.

Successful succession planning

The message is, start early introducing next-gens to family values. Having existing family leadership ready to embrace the succession issue is critical.

Risk mitigation

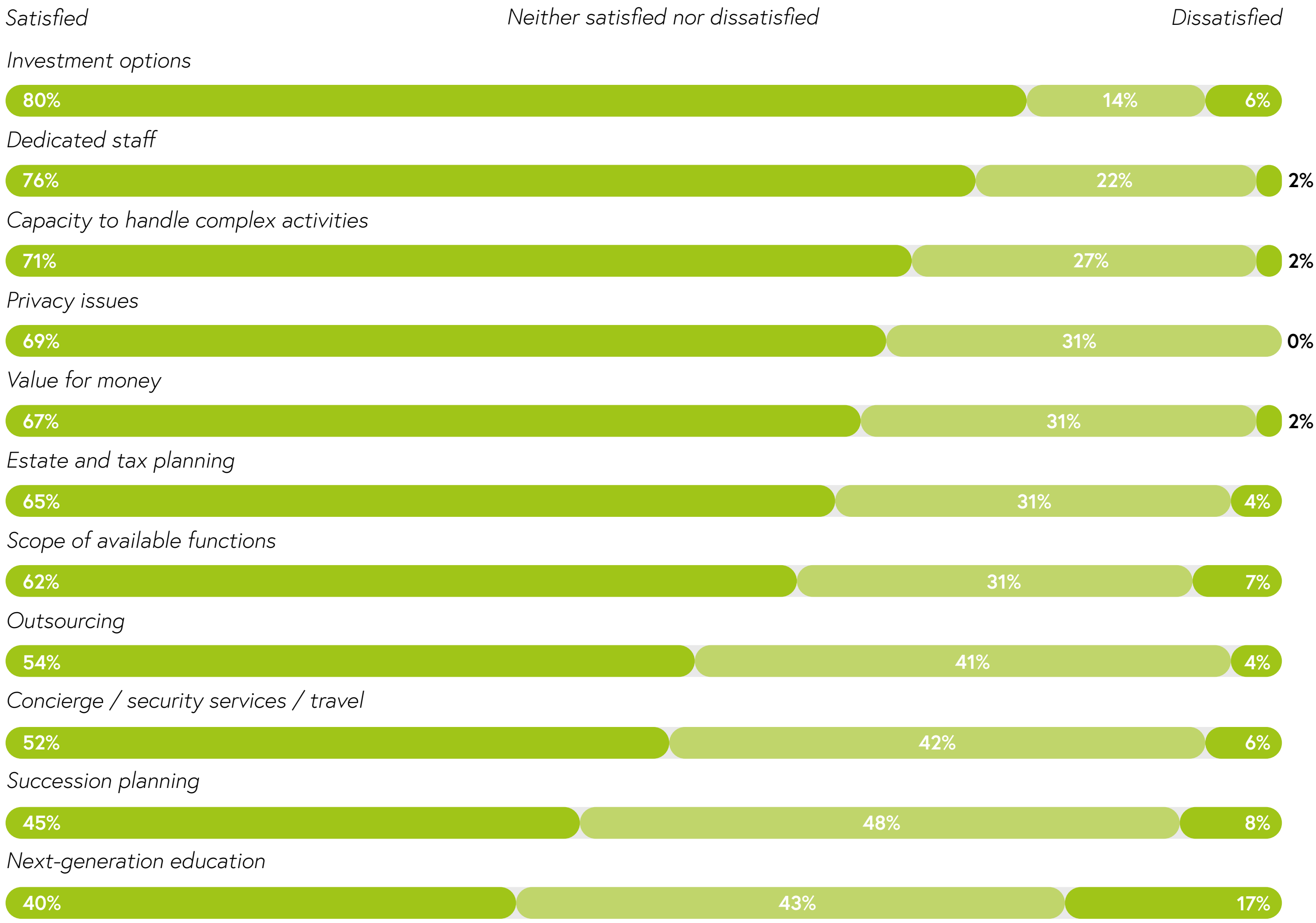
Cyber-attacks and data breaches are the most frequently cited operational risk faced by family offices but nearly half are unconcerned placing their faith in cybersecurity measures. Tax, regulatory and compliance issues are the second most frequent concern and here mitigation measures may be rather more difficult.

Effectiveness

Family offices are seen as effective in making informed decisions, protecting family values, and ensuring capable leadership but could focus more on fostering collaboration and avoiding conflict among family members.

Overall, European family offices exhibit strengths, proactive approaches, and potential areas for refinement as they continue to navigate the evolving landscape.

Figure 5.0: *Please indicate degree of satisfaction with family office attributes / functions:*



Note: Figures may not sum to 100% due to rounding.
Source: Campden Wealth, The European Family Office Report, 2023

About family offices

What is a family office?

A family office is, in its simplest form, the private office for a family of significant wealth. The number of staff working in the office can vary from one or two employees to 100 or more staff, depending on the type and number of services it provides.

The purpose of an office can range from handling key family assets and core holdings (tax and accountancy, property and estate management) to include more sophisticated wealth management structures, while often providing family members with educational, professional and lifestyle services.

Generally, family offices manage key areas of family assets, including real estate holdings and direct or indirect investments, tax consolidation and estate management.

They can serve as the central hub for a family's legacy, governance and succession. They can furthermore support the education and development of family members, facilitate family governance, coordinate communication and resolve issues within the family enterprise. A typical family office:

- Affords structure to the management of family wealth, establishing increased control and oversight of the family wealth strategy and costs of managing investments;
- Consolidates tax, accountancy and wealth management reporting execution under one roof;
- Provides a clearly-articulated, efficient governance framework for investment decision-making, as well as family legacy and succession functions (including philanthropic foundations and initiatives);
- Coordinates with service providers, achieving economies of scale (especially in the case of multi-family offices) and preferential deal access and products;
- Ensures confidentiality and privacy for family members, liberating them from the burden of wealth.

Who would benefit from using a family office?

Families with private wealth in excess of US $150 million are ideal candidates for establishing a single family office structure. While it is not uncommon for first generation entrepreneurs to establish a family office, these offices often support families with greater complexity in terms of households and generations. This is a key characteristic of family office structures and one that offices must account for when designing and executing investment strategies and family governance plans.

While each household will share some similar needs, from the perspective of the family office, each household merits special consideration. Such consideration cannot always be restricted to typical generational needs (i.e. retirees require income, while younger family members can accommodate more risk and longer horizons), because households themselves have differing liquidity requirements (for example, sibling benefactors may hold quite distinct professional ambitions).

Multiple wealthy families which might not necessarily be related to each other but nonetheless share some common values or goals may opt to consolidate and leverage resources by creating a multi-family office, rather than a single family office to manage the family wealth. Such a structure provides the benefit of economies of scale and investment deal opportunities that formal collaboration and a consolidated management structure afford. Naturally, family complexity factors arise for the multi-family office, only on another level of magnitude.

Here things can get quite messy. As such, traditionally, for a multi-family office to be successful and sustainable, families should share a common purpose, interest and risk appetite or, alternatively, comparable levels of wealth.

Traditionally for multi-family offices to be sustainable over the medium to long-term, they must manage cumulative assets of more than US $3.5 billion. For the sake of clarity, a number of terms with specific meaning in this report are defined below:

Private multi-family office: These will all have had a founding family before widening out their offering to multiple families. These offices are owned by families and operated for their benefit.

Commercial multi-family office: These will look after the interests of multiple families, often with wealth of less than US $150 million. Unlike private multi-family offices, they are owned by commercial third parties.

List of figures

About the creators

About HSBC Global Private Banking

HSBC Global Private Banking provides investment and wealth management solutions for private investors, families, business owners, entrepreneurs and single and multi-family offices. Our global private bank is proud to serve clients with excellence across Asia, Europe, the Middle East and North Africa and connect them to meaningful opportunities worldwide.

About HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of $3,021bn at 30 September 2023, HSBC is one of the world's largest banking and financial services organisations.

About Campden Wealth

Campden Wealth is a family-owned, global membership organisation providing education, research, and networking opportunities to families of significant wealth, supporting their critical decisions, helping to achieve enduring success for their enterprises, family offices and safeguarding their family legacy.

The Campden Club is a private, qualified, invitation-only members' club. Representing 1,400 multi-generational business owning families, family offices and private investors across 39 countries. The Club delivers peer networking, bespoke connections, shared knowledge and best practices. Campden Club members also enjoy privileged access to generational education programmes held in collaboration with leading global universities.

Campden Research supplies market insight on key sector issues for its client community and their advisers and suppliers. Through in-depth studies and comprehensive methodologies, Campden Research provides unique proprietary data and analysis based on primary sources.

Campden Education delivers a virtual training platform empowering families with practical knowledge and the tools to make informed decisions. Drawing on deep expertise and real-world experiences, our programmes are designed to guide the whole family through all stages of ownership and growth.

Campden Wealth owns the Institute for Private Investors (IPI), the pre-eminent membership network for private investors in the United States founded in 1991. In 2015 Campden Wealth further enhanced its international reach with the establishment of Campden Family Connect PVT. Ltd., a joint venture with the Patni family in Mumbai.

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