



Family Office Quarterly

Period: Q1 2025

April 2025

Confidential

The unique breadth and depth of Addepar's dataset offers transparency into the investment themes and trends of sophisticated family office investors. This report highlights the performance of family offices and the potential benefits of their higher allocation to alternative investments.

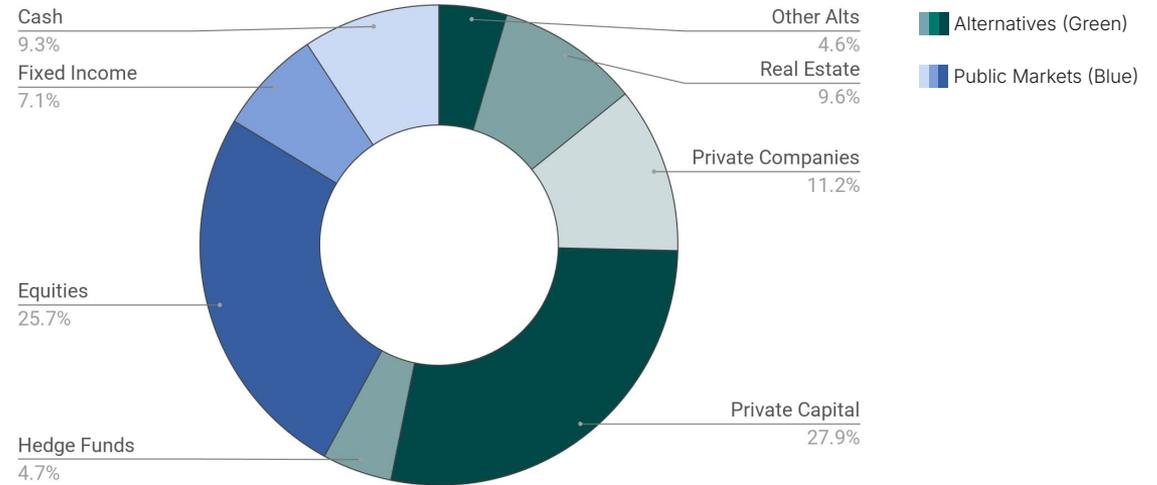
The insights in this report reflect the aggregated and anonymized data of over 550 family offices on the Addepar platform, representing over \$1 trillion in assets.

Family portfolios tilt heavily towards alternatives

Family offices invest heavily in alternatives. These assets account for **58%** of average allocations, with private capital as the largest exposure (27.9%).

Allocations for public markets, which account for 42% of family office portfolios, on average, were primarily comprised of equities (25.7%), followed by cash (9.3%) and fixed income (7.1%).

Average Family Office Portfolio, Q1 2025



Note: Private capital includes private equity, venture capital and private credit. Real estate includes funds, REITS and direct. Other alternatives include mixed allocation fund of funds, other collective vehicles, commodities and collectibles. Allocations are weighted as of 3/31/2025.

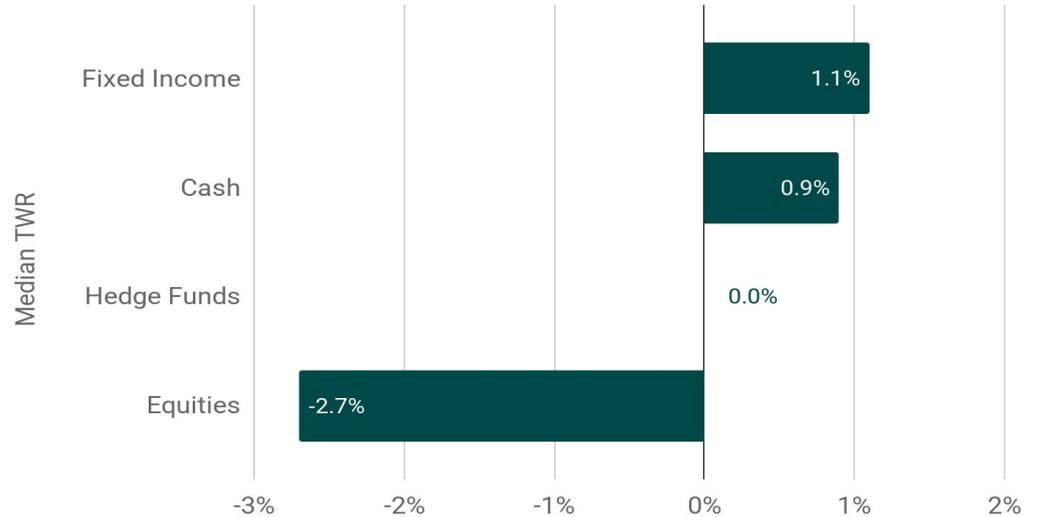
Market events drove bond volatility, equity gains

After two years of strong returns, equities sold off in the first quarter, led by technology stocks.

Fed commentary focused on potential inflationary impact of upcoming tariffs.

Investors sought the safety of bonds despite reduced likelihood of interest rate cuts. Bond yields declined over the quarter, leading to a rally over the course of the quarter.

Asset Class Benchmarks, Q1 2025



Note: Private capital performance not included due to lagged performance marks.

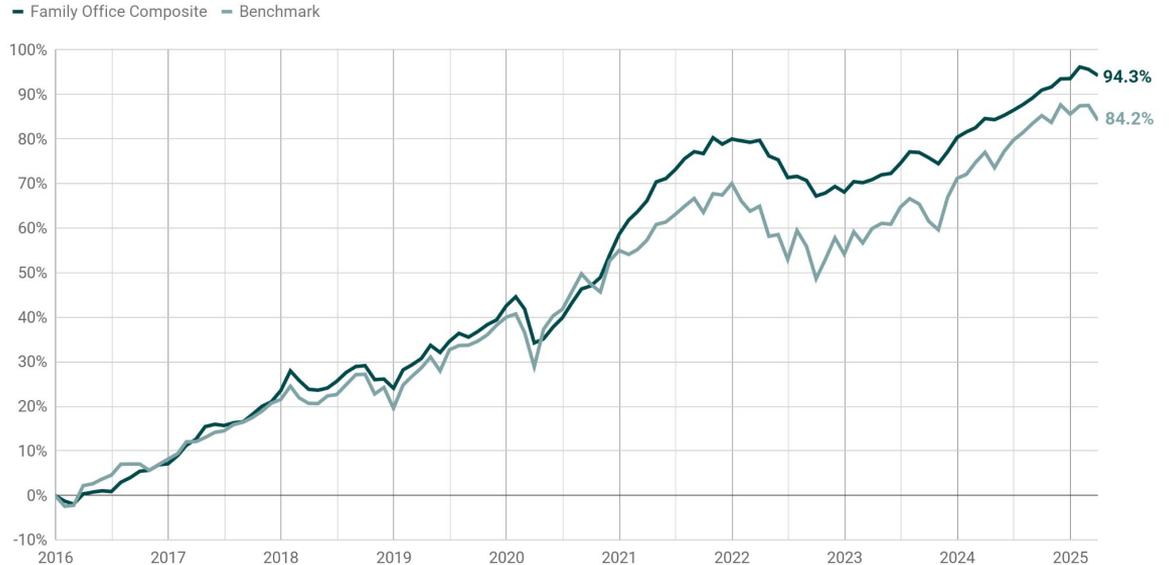
Family offices have historically outperformed

On average, family offices generated a **0.7% return in Q1 2025**.

Over the long term, the composite of family office portfolios has exhibited high and consistent returns relative to a 60/40 benchmark (1.2 vs. 0.7 Sharpe ratio, respectively), partly due to large alternative asset allocations.

Since 2016, the return of our family office composite has been **94.3%**, vs. **84.2% for the benchmark**, with much of the outperformance accruing after the Covid drawdown.

Monthly Family Office & Benchmark Performance, 2016-Q1:2025



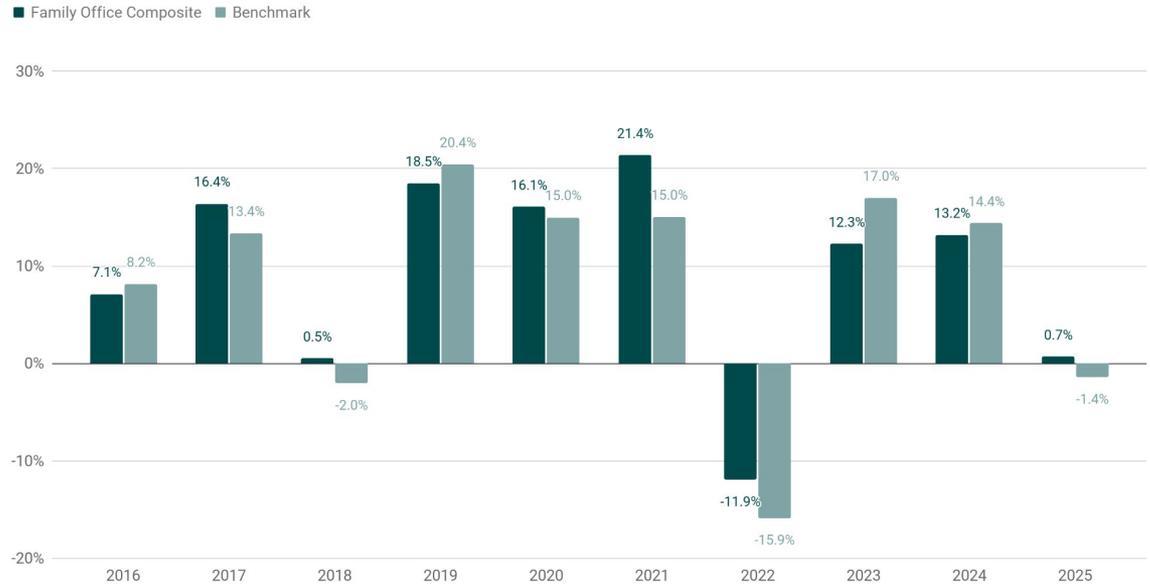
Note: Composite is defined as the asset-weighted arithmetic returns of portfolios in the family office cohort. The benchmark is a 60/40 mix of S&P 500 and U.S. Aggregate Bond Index (sourced from Morningstar).

In 2024, family office performance lagged the benchmark

Through Q1 2025, our family office composite **gained 0.7%** YTD compared to -1.5% for our 60/40 benchmark.

Family offices have **outperformed the benchmark 5 out of 9 years** between 2016 and 2024.

Composite Family Office & Benchmark Performance, 2016-Q1:2025



Note: Composite is defined as the asset-weighted arithmetic returns of portfolios in the family office cohort. The benchmark is a 60/40 mix of S&P 500 and U.S. Aggregate Bond Index (sourced from Morningstar).

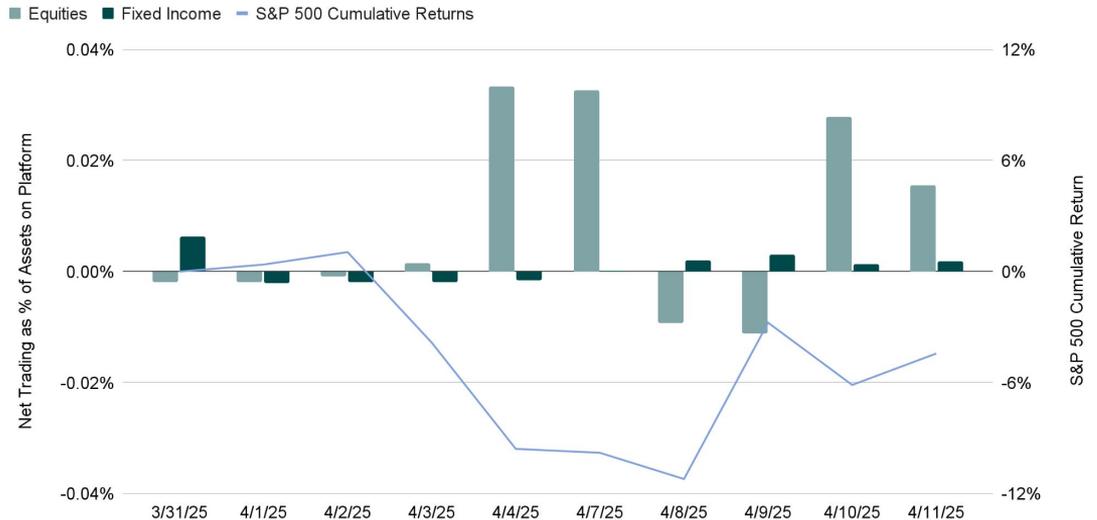
In April, family offices in aggregate bought the dip in equities

Family offices were in aggregate **buyers of equities** during the first two weeks of April.

However, **total flows were small** compared to total assets on platform.

During the second week of April, family offices were **net buyers of fixed income** as they took advantage of higher rates. Flows were again small compared to total assets.

Net Flows in Equities and Fixed Income, S&P 500 Cumulative Returns, 3/31/2025 - 4/11/2025



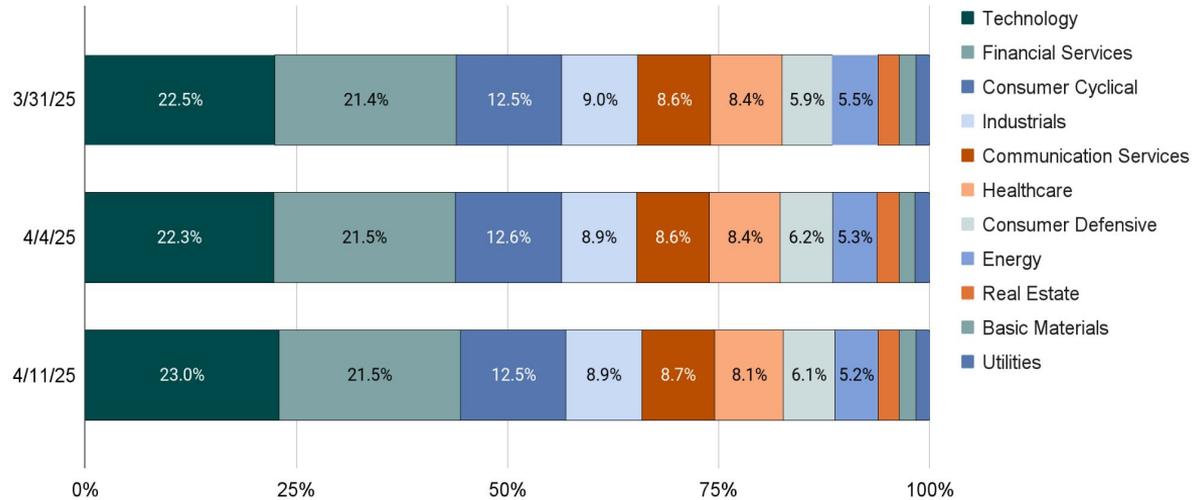
Note: Net trading is combined equity and fixed income buys and sells in terms of total family office assets on platform as of March 31, 2025. (S&P 500 returns sourced from Federal Reserve Economic Data)

In April, family offices have kept equity allocations constant

During the first half of April, family office sector allocations **remained relatively unchanged** despite the broad market decline and subsequent rally.

Technology allocations **slightly increased** from March 31 to April 11, despite net losses due in part to net flows into the Magnificent 7 stocks.

Average Family Office Equity Sector Allocations, 3/31/2025 - 4/11/2025



Note: Sector weightings are defined as a percentage of total equity exposure.

About Addepar

Addepar is a software and data platform built for the most complex investment portfolios.

Addepar's Research team produces studies on performance as well as insights on the governance, management, operations and decision making of portfolio managers with the intent to help them understand and improve collective performance.

Please email research@addepar.com for a deeper analysis and information on diagnosing your portfolios.

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