



Family Office Quarterly

Period: Q3 2025

October 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.

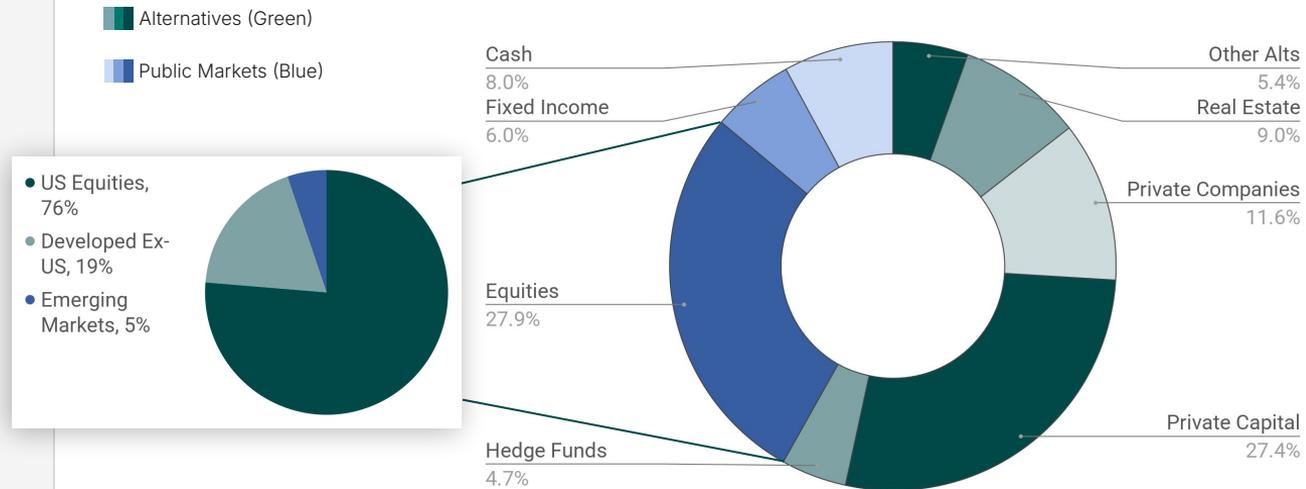
The insights in this report reflect the aggregated and anonymized data of ~580 family offices on the Addepar platform, representing nearly \$1.4 trillion in assets.

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 (27.4%).

Allocations for public markets, which account for **42%** of family office portfolios, on average, were primarily composed of equities (27.9%), followed by cash (8.0%) and fixed income (6.0%).

Average Family Office Portfolio, Q3 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 9/30/2025.

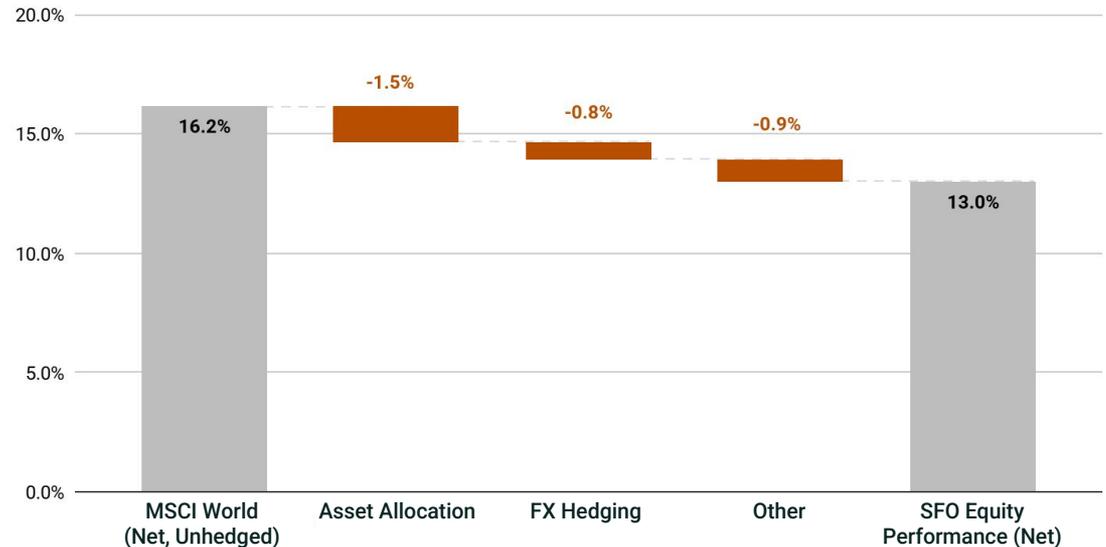
Dollar weakening has detracted from returns as currency hedging remains around one third of international equity exposure

Family offices in aggregate **hedge about one third of their foreign equity assets.**

Year to date through Q3, the **US Dollar has depreciated by ~10% which has detracted nearly 1%** from the Family Office Composite returns.

However, family offices **decreased their allocations to USD by 0.5%** year to date through cash holdings which was additive to performance at the total portfolio level.

Equity Portfolio Performance Attribution, 12/31/2024 - 9/30/2025



Note: Other category includes manager selection effect and portfolio drift. Dollar return is measured by DXY.

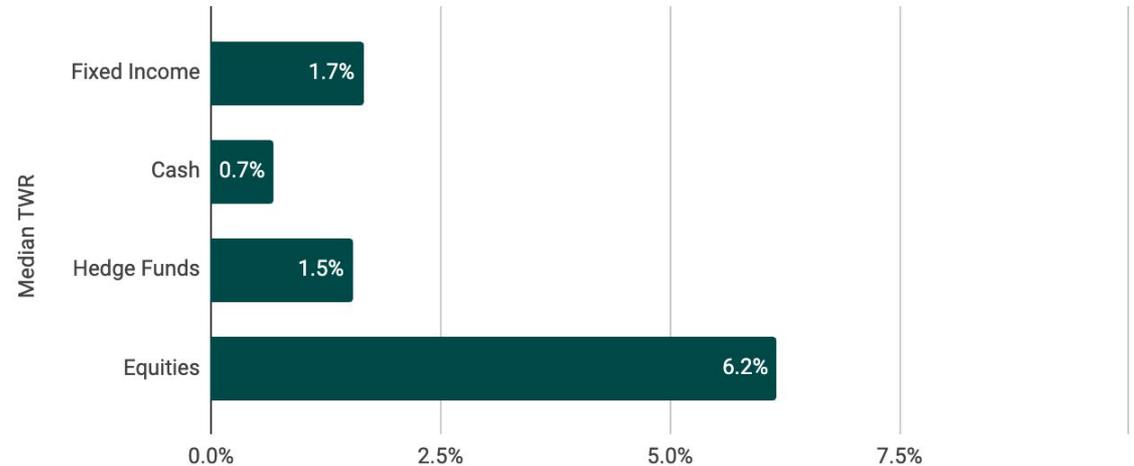
Equities continue to drive returns in portfolios

Equities continued their upward trajectory bolstered by the start of a new interest rate cutting cycle in the US and easing trade tensions. **Emerging markets outperformed developed market equities** driven by AI optimism in China.

In line with market expectations, the Fed delivered a 25bps rate cut in September. The market is currently pricing in two more rate cuts for the remainder of 2025.

The **yield curve steepened in Q3** as short-term treasury yields fell more significantly than long-term yields. Longer term yields remained elevated and **credit spreads tightened marginally** despite mounting evidence of labor market weakness.

Asset Class Benchmarks, Q3 2025



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

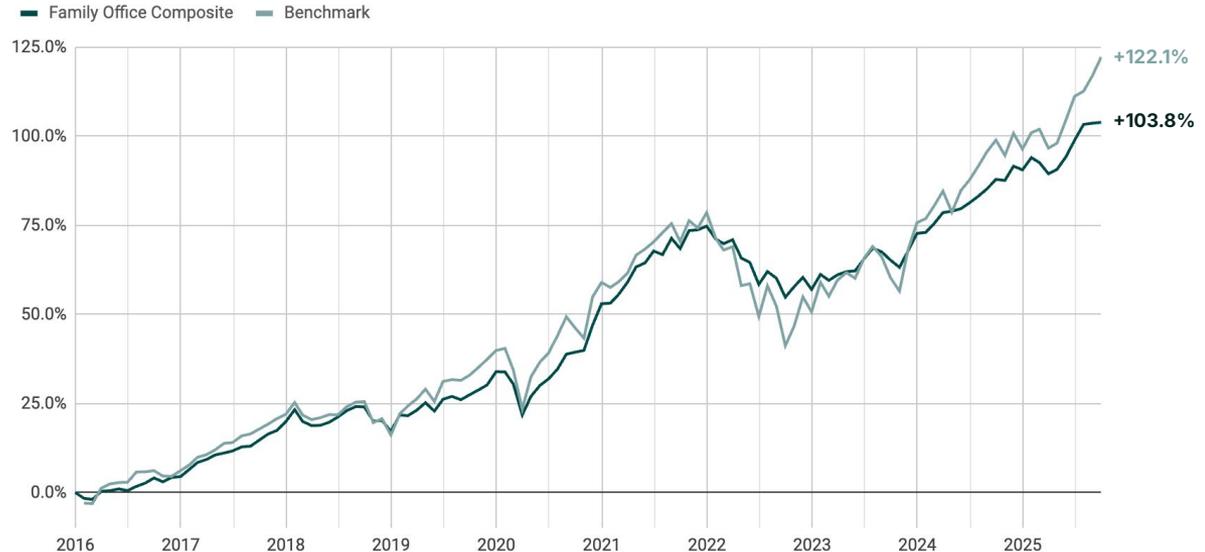
The family office composite has lagged the benchmark in recent years

On average, family offices generated a **2.5% return in Q3 2025**.

Since 2016, the return of our family office composite has been **104%**, compared to 122% for the benchmark with an **annualized return of 7.6%** and 8.5% respectively.

Underperformance was primarily driven by regional and sector allocation effects within equities as well as the relative underperformance of private markets compared to public markets.

Monthly Family Office & Benchmark Performance, 2016-Q3:2025



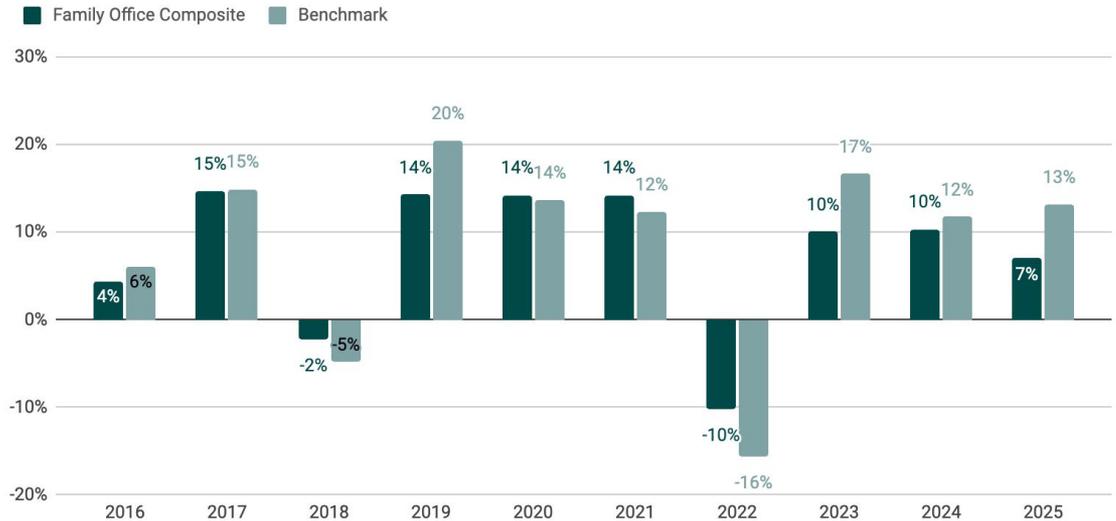
Note: Composite is defined as the asset-weighted geometric returns of portfolios in the family office cohort. The benchmark is a 60/40 mix of MSCI World and U.S. Aggregate Bond Index (sourced from Morningstar).

However, the composite has demonstrated higher risk adjusted returns

Through Q3 2025, our family office composite **gained 7.0% YTD** compared to +13.1% for our 60/40 benchmark. Year to date underperformance can be partially attributed to lagged performance reporting for private assets.

The composite has demonstrated **higher risk adjusted returns** relative to a 60/40 benchmark with a cumulative realized 0.9 vs. 0.7 Sharpe ratio, respectively. Allocations to alternatives and other diversifying strategies resulted in outperformance during drawdown periods.

Composite Family Office & Benchmark Performance, 2016-Q3:2025



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

About Addepar

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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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