Research Note | Q3 2023

Family Office Quarterly Summary

Overview

Addepar is a leading wealth management platform. When the company was founded in 2009, one of the most pressing challenges in financial services was a lack of transparency. Addepar was built with the mission of unlocking the power of informed, data-driven investing and advice. In keeping with that mission, we established Addepar Research to carry out research on investment organizations—their governance, management, operations and decision-making—by leveraging the power of the Addepar platform to improve collective performance.

The goal of this note, which we update on a quarterly basis, is to provide transparency into performance across family offices (FOs) on the platform. The unique breadth and depth of the dataset generated by the Addepar platform offers transparency into the investment themes and trends of sophisticated family office investors.

Please email research@addepar.com if you have any thoughts or suggestions on how this publication can be improved.

Median Performance

2016	2017	2018	2019	2020	2021
4.4%	11.1%	-1.3%	12.4%	10.5%	11.7%
2022	**2023 YTD**				
-8.5%	3.9%				

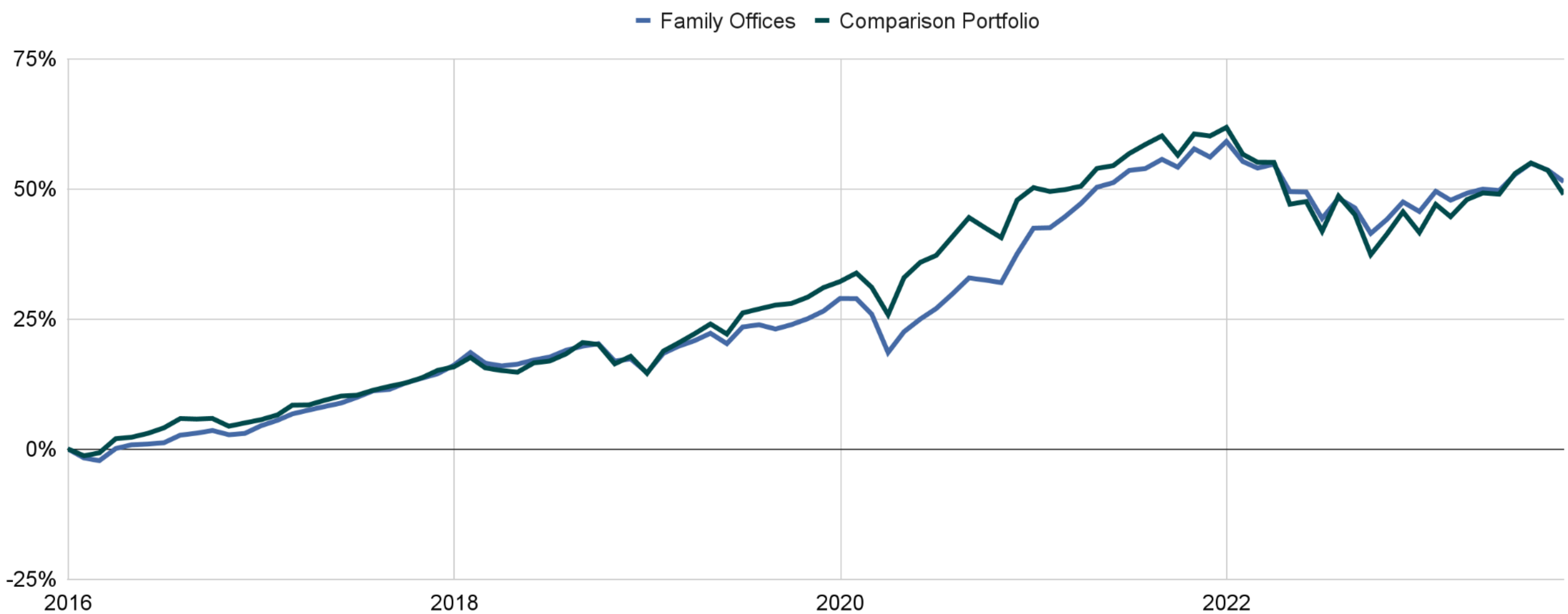
Previous year	Since 2016
7.04%	51.3%

Assets on Platform

	Assets:	Count:
Firmwide:	$ 5.0 tr	980
Family offices:	$ 1.1 tr	532

Long-Term Cumulative Performance

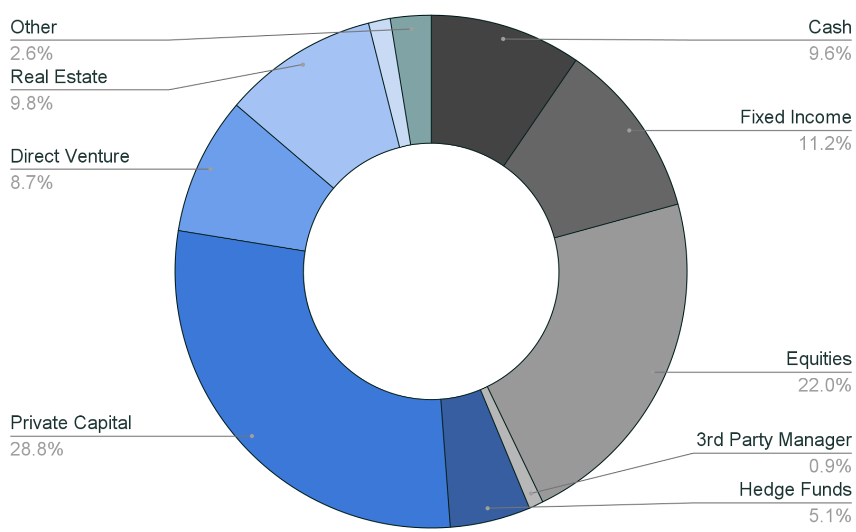
Following three successive quarters of positive performance, on average family offices lost 0.9% for the third quarter of 2023. Performance has not fully regained the peak achieved in December 2021. For comparison purposes, a conservative portfolio[1] of U.S. equities and treasuries is shown alongside family office performance.



[1] Portfolio constructed to be 40% U.S. equities, 30% 10-year Treasuries and 30% cash. Construction is notionally a classic 60/40 portfolio geared to 7% volatility, which is similar to conservative family office portfolios. Assumes monthly rebalancing.

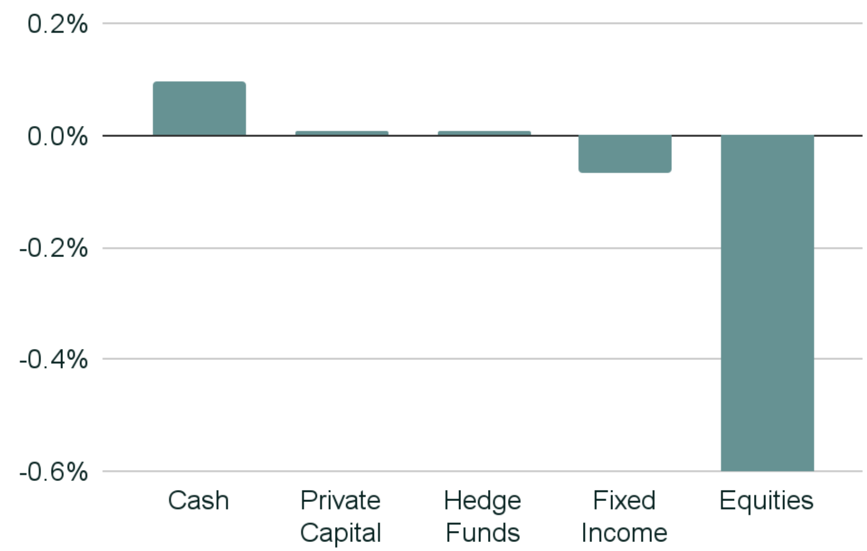
Asset Allocation

Alternatives are the prominent feature of family office allocations, comprising 54% of allocations on average. Family offices continued to rotate into U.S. Treasury bills and long duration Treasuries. The quarter also showed a modest rotation into technology stocks and higher commitments to private credit.



Return Contribution

Cyclical effects of tightening across the yield curve weighed down most risk assets for the quarter. Energy and some hedge fund strategies provided diversification, though allocations to these asset classes were small.



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