Research Note | Q1 2024

Family Office Quarterly Summary

Overview

Addepar is a multi-product software and data platform for even the most complex investment portfolios. 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 understand and help 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

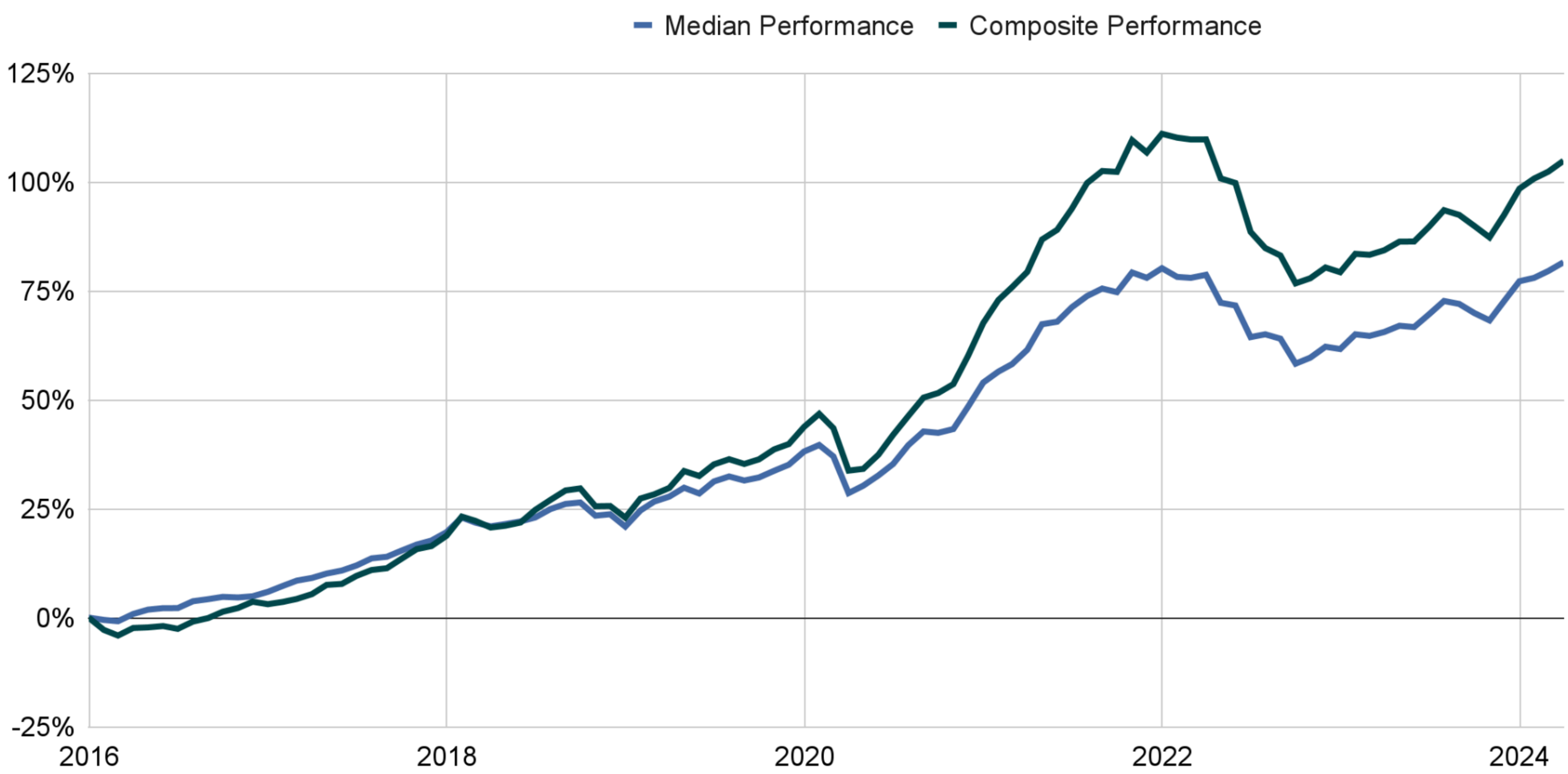
2016	**2017**	**2018**	**2019**	**2020**	**2021**	**Previous year**
5.9%	12.9%	1.1%	14.2%	11.5%	17.0%	9.7%
2022	**2023**	**YTD**				**Since 2016**
-10.3%	9.6%	2.5%				81.5%

Assets on Platform

	Assets:	**Count:**
Firmwide:	$ 6 tr	1000+

Long-Term Cumulative Performance

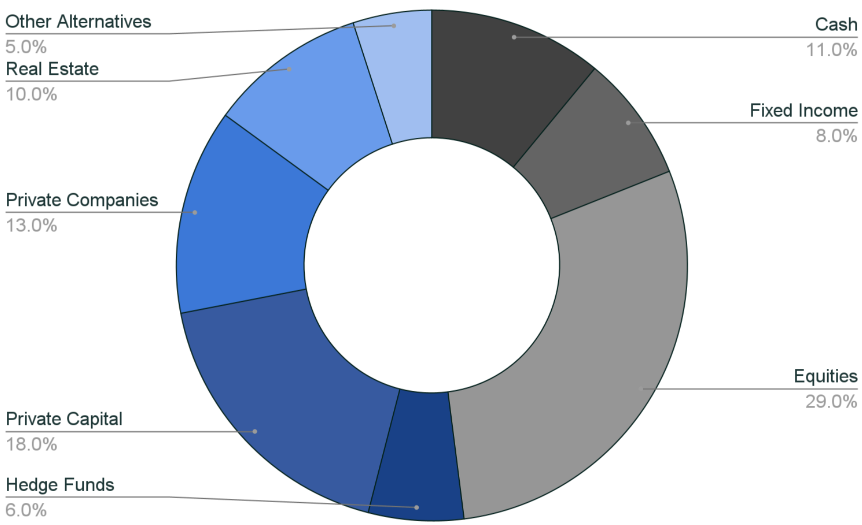
On average, family offices added 2.5% in the first quarter of 2024. Performance has approximately regained the peak achieved in December 2021. Over the long term, the composite of family office portfolios exhibits high and consistent returns (1.0 Sharpe ratio), partly due to large allocations to alternative assets.



*Composite is defined as the asset-weighted returns of portfolios in the family office cohort.

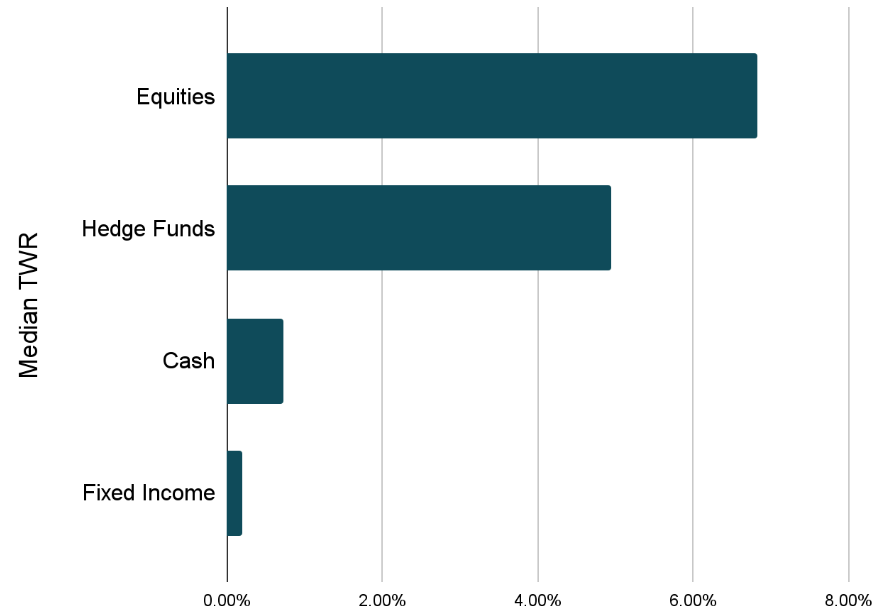
Asset Allocation, 3/31/2024

Alternatives are the prominent feature of family office allocations[2], comprising more than half of the allocations on average. Family offices continued to reduce allocations to fixed income.



Asset Class Benchmarks[1], Q1 2024

Equities provided sizable returns in the first quarter, despite the declining probability of rate cuts by the Federal Reserve. Companies benefiting from artificial intelligence led the pack. Hedge fund performance was the strongest in over three years, driven by equity and macro strategy performance. Fixed income returns were muted due to expectations of delays in rate cuts.



[1] Private capital performance not included due to lagged performance marks.
[2] Allocations are family office weighted.

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