Research Note | Q4 2023

RIA 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 independent RIA and private wealth bank managed assets 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
6.0%	13.7%	-2.8%	17.4%	9.3%	11.0%
2022	**2023**				
-13.0%	16.3%				

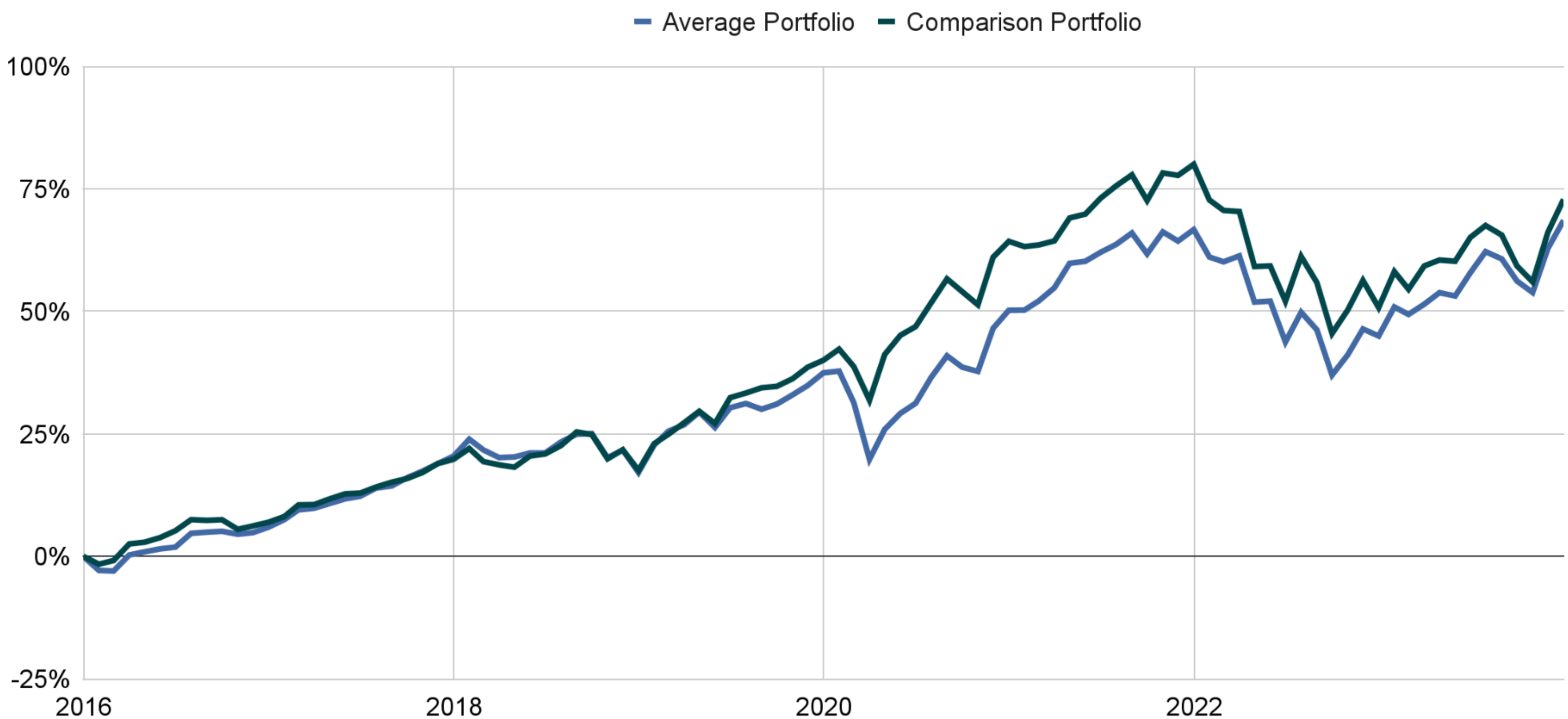
Previous year	Since 2016
16.3%	68.6%

Assets on Platform

	Assets:	Count:
Addepar Clients:	$ 5.4 tr	1011
Private Wealth Firms:	$ 3.9 tr	532

Long-Term Cumulative Performance

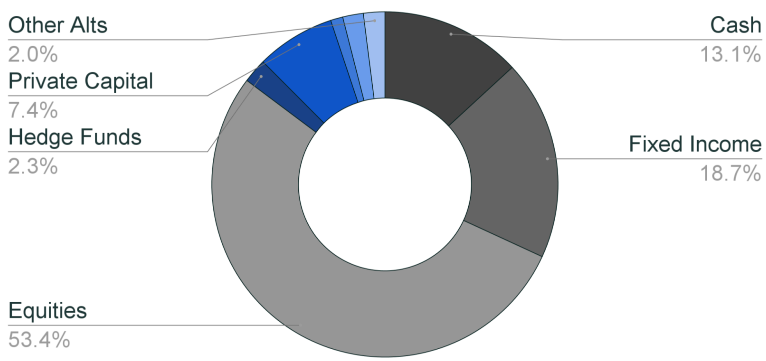
Following a down quarter, on average portfolios added 7.9% in the fourth quarter of 2023. Performance has not fully regained the peak achieved in December 2021. For comparative purposes, a portfolio[1] of U.S. equities, Treasuries and cash is also shown.



[1] Portfolio constructed to be 50% U.S. equities, 40% 10-year Treasuries and 10% cash. Assumes monthly rebalancing.

Asset Allocation, 12/31/2023

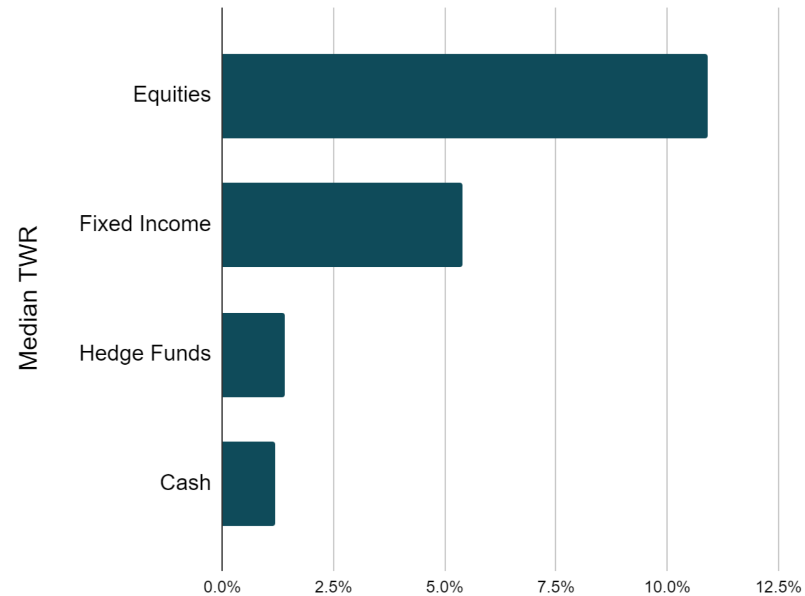
Equities is the largest allocation at 53%. Alternative assets (i.e. hedge funds, private equity, venture, private credit, real estate) are an increasingly prominent feature of portfolio allocations, comprising 14% of a typical portfolio.



Private capital includes private equity, venture capital and private debt. Other alternatives include mixed allocation fund of funds, other collective vehicles, commodities, collectibles, direct venture and real estate.

Asset Class Benchmarks[2], Q4 2023

Risk assets sold off in October on rising long-term rates and risk premiums, a continuation of summer trends. Strong economic data, weaker inflation prints and a more neutral monetary policy stance from the Federal Reserve led to a substantial rally across risk assets in the last two months of 2023.



[2] Private capital performance not included due to lagged performance marks.

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