



# Family Office Quarterly

Period: Q4 2025

**January 2026**

*Confidential*

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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.

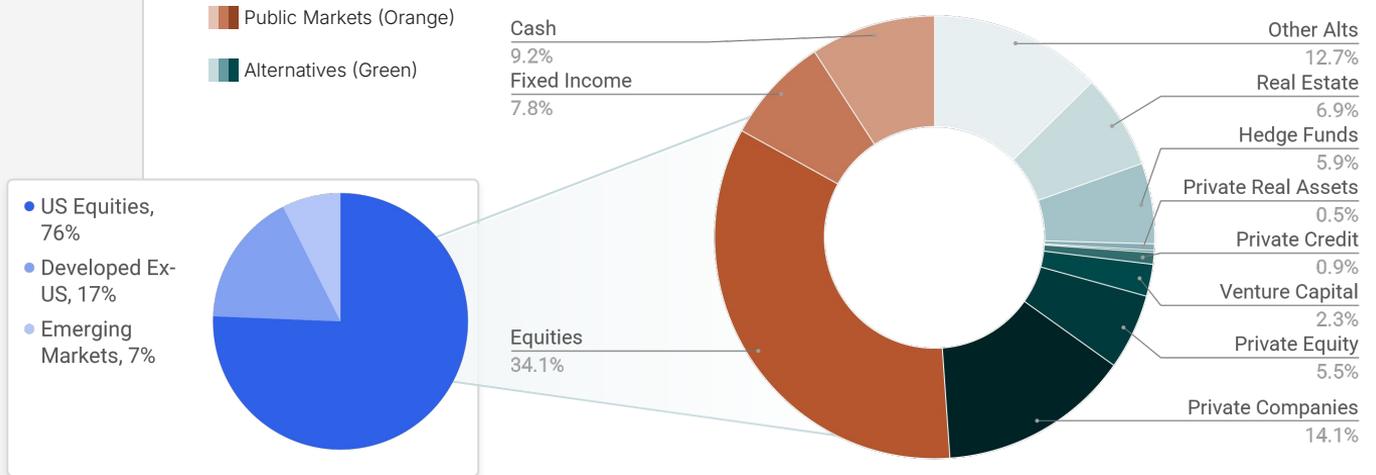
The insights in this report reflect the aggregated and anonymized data of ~600 family offices on the Addepar platform, representing nearly \$1.5 trillion in assets.

# Family portfolios tilt heavily towards alternatives

Family offices invest heavily in alternatives. These assets account for **49%** of average allocations, with private companies as the largest exposure (14.1%).

Allocations for public markets, which account for **51%** of family office portfolios, on average, were primarily composed of equities (34.1%), followed by cash (9.2%) and fixed income (7.8%).

Average Family Office Portfolio, Q4 2025



**Note:** We have realigned our asset classification framework to more accurately reflect the allocation strategies of leading family offices, ensuring our reporting captures the specific nuances of alternative investments and private equity exposure. 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 12/31/2025.

# Equities continue to drive returns in portfolios

Despite a backdrop of domestic policy shifts and cautious consumer sentiment, the fourth quarter saw a sustained rally in risk assets. **International and Emerging markets outperformed US equities** driven by a weaker dollar and lower valuations.

The Fed delivered two additional rate cuts in Q4 fueling returns in both equities and fixed income. Expectations for further easing in 2026 have become much more conservative.

The **yield curve steepened significantly in Q4** driven by Fed rate cuts at the front end and slightly rising yields at the longer end. **Credit spreads remained near multi-decade lows.**

Asset Class Benchmarks, Q4 2025



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

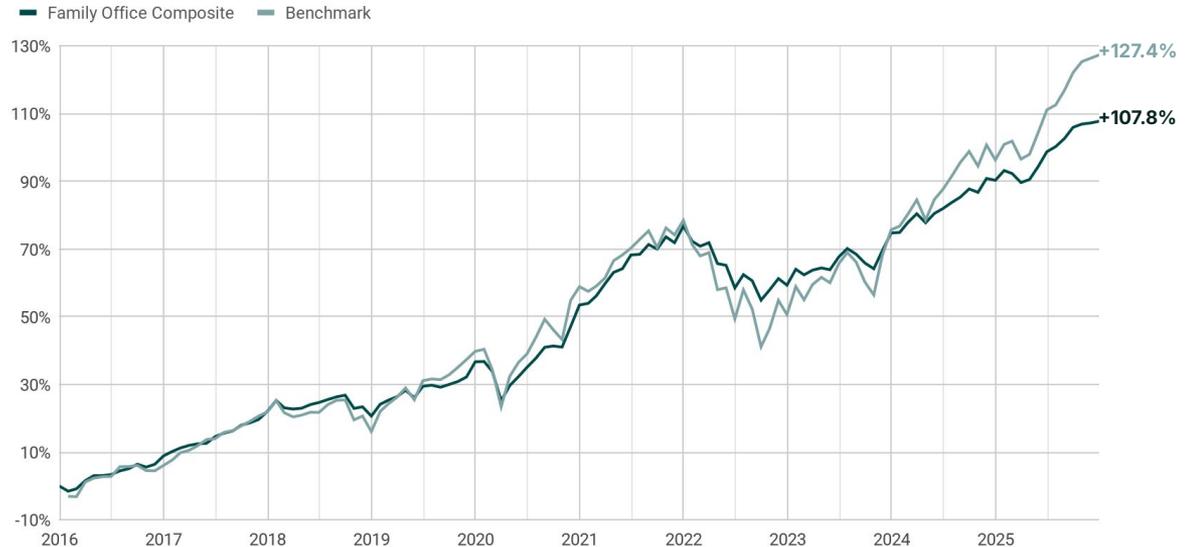
# The family office composite has lagged the benchmark in recent years

On average, family offices generated a **0.9% return in Q4 2025**.

Since 2016, the return of our family office composite has been **108%**, compared to 127% for the benchmark with an **annualized return of 7.6%** and 8.6% respectively.

Last year's underperformance was primarily driven by investors being overweight US equities and underweight emerging markets including China. From a sector perspective, within US equities an underweight allocation to the tech sector and overweight allocation to the financial sector detracted from returns.

Monthly Family Office & Benchmark Performance, 2016-2025



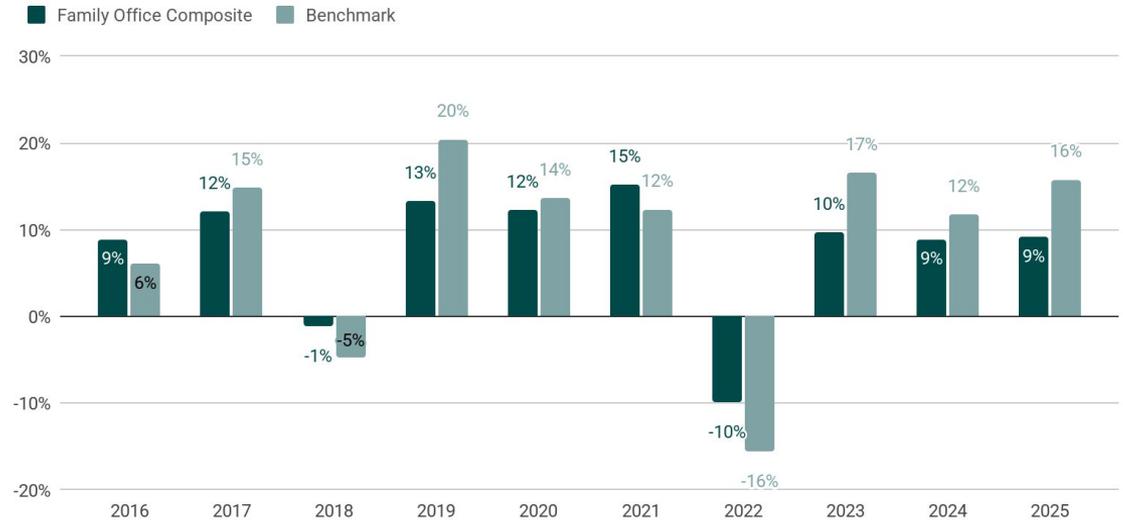
**Note:** Composite is defined as the asset-weighted geometric returns of portfolios in the family office cohort. The benchmark is a 60/40 mix of MSCI World and U.S. Aggregate Bond Index (sourced from Morningstar).

# However, the composite has demonstrated higher risk adjusted returns

Through Q4 2025, Addepar's family office composite **gained 9.2%** YTD compared to +15.8% for the 60/40 benchmark. Year to date underperformance can be partially attributed to cash drag, sector and geographic positioning, as well as 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.

Composite Family Office & Benchmark Performance, 2016-2025



**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

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](mailto:research@addepar.com) for a deeper analysis and information on diagnosing your portfolios.

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