Global Family Office Report

2024



Cover image by Max Rive. Taken with a drone, it's a panoramic view of the Romsdalen Valley, a 60-kilometer long valley in western Norway. The photo is a metaphor for how the family office takes in a broad panorama before setting a strategic path towards its objective.

Content



Foreword 4
Executive summary 6



Section 4
Sustainability
and impact

44

58



Section 1
Asset allocation and portfolio diversification



8

38

Section 5 50
Professionalization
and governance



Section 2 32 Fixed income



Section 6
Costs and staffing

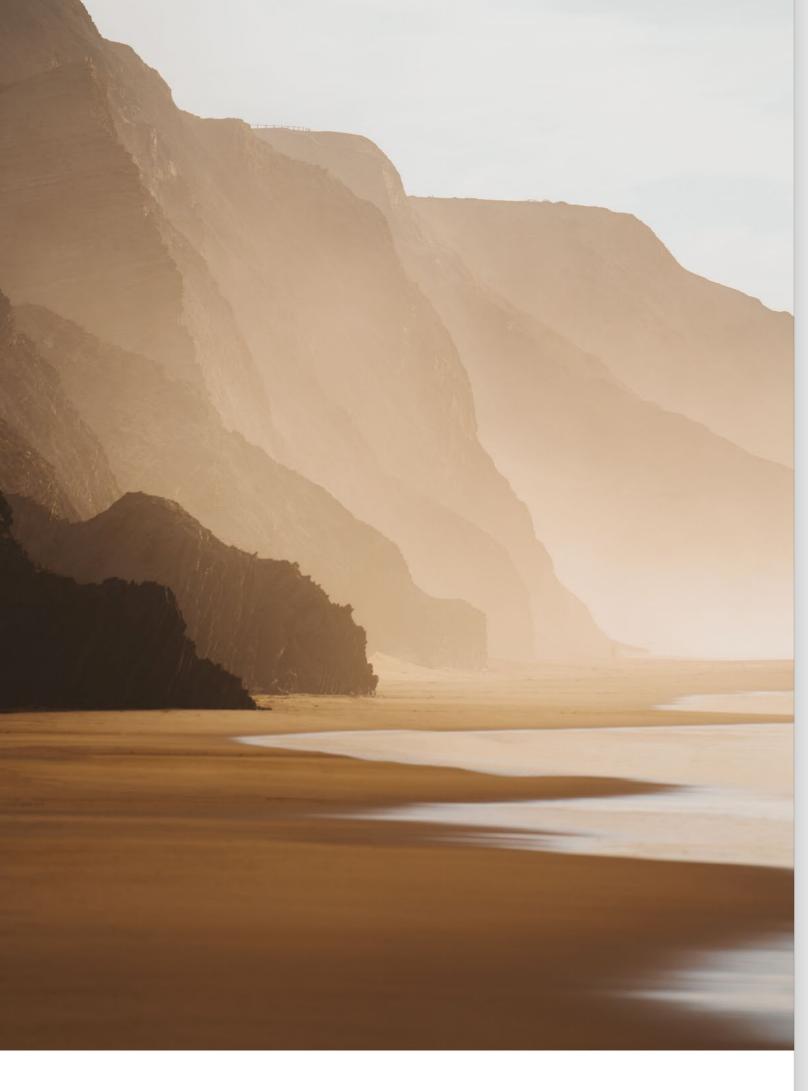


Section 3
Private equity
and real estate



Regional spotlights 64

Some facts about 78 our report



We are pleased to present to you our largest Global Family Office Report to date. The 2024 study brings together the insights of 320 single family offices across seven regions of the world. Representing families with an average net worth of USD 2.6 billion and covering over USD 600 billion of wealth, it confirms the report as the most comprehensive and authoritative analysis of this influential group of investors.

Notably, the 2024 report shows that family offices followed through on the plans for material shifts in strategic asset allocation foreseen in 2023's report. In a move to rebalance portfolios, allocations to developed market fixed income rose by the largest amount seen in five years. Additionally, real estate allocations declined at a time when commercial real estate prices in some regions have corrected. However, family offices do not expect to implement such big changes this year.

Family offices are most concerned about the danger of a major geopolitical conflict, both in the near and medium terms. Over a five-year horizon, they also view climate change as a top risk, alongside high levels of debt.

The bigger data set allows us to refine our analysis, especially by tailoring findings to regions. With US tech companies leading the generative Al revolution, average global asset allocations appear set to remain tilted to North America. Drill down into the data, though, and allocations depend on location, with US, European and Swiss family offices preferring their home markets. We have also analyzed how connected operating businesses affect asset allocation.

Above all, this report is the result of constructive collaboration with the contributing families, executives and advisors. We would like to thank them for making this year's enhancements possible. We are always trying to improve the report and welcome your thoughts. In conclusion, we hope you enjoy the report and its fresh insights.

George Athanasopoulos Head of Global Family and Institutional Wealth Co-Head Global Markets

Beniamin Cavalli Head of Global Wealth Management Strategic Clients



Material shifts in asset allocation as portfolio balance returns

Family offices carried out some of their biggest shifts in strategic asset allocation in 2023, in a move to rebalance portfolios. In a shift that may reflect elevated bond yields as much as active decision-making, they lifted allocations to developed market fixed income by the largest amount seen in five years. Allocations to real estate declined at a time when commercial real estate prices in some regions have been falling. Compared to 2023, fewer family offices expect to make changes in 2024.



Climate change and debt crisis emerge as medium-term risks

The risk of a major geopolitical conflict is clearly the top concern for family offices, both in the near and medium term. Inflation and interest rates are among the other top concerns over the next 12 months but in the longer term they play a less prominent role. Family offices are more concerned about climate change and high levels of debt over the next five years.



Geographical asset allocations set to remain tilted towards North America

Family offices have kept their largest regional allocations in North America. Looking ahead, North America and Asia-Pacific (excluding Greater China) look set to be the top destinations of added allocations, with over a third looking to increase allocations to each of these regions respectively over the next five years. But there remains a strong home bias, especially in the US followed by Switzerland and Europe.



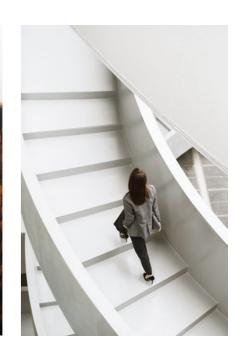
Confidence increases in active management

Family offices say that they are relying more on active management and/or manager selection to diversify portfolios. This comes at a time when the divergence of stock performance has increased. High-quality short duration fixed income is also favored for diversification, especially in the US.



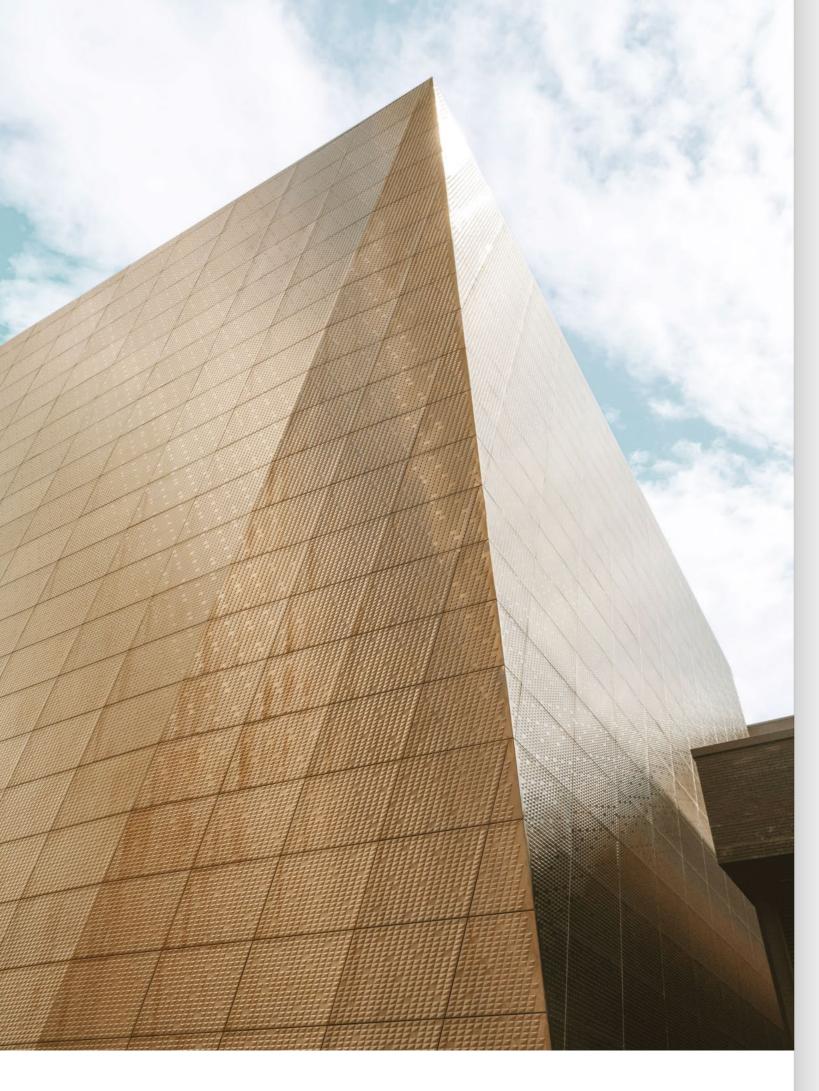
With sustainability in focus, family offices seek information and advice

For family offices, sustainability is becoming an essential matter of risk and opportunity. As many perceive climate change becoming a major concern, so they see sustainability as driving risks and opportunities for both their operating businesses and investment portfolios. As sustainability requirements become more specific, partly driven by regulation in sectors such as real estate, family offices want more sophisticated information and advice.



Family offices focus on being investment specialists first and foremost

Rather than carrying out the full gamut of tasks to support families, many family offices concentrate mainly on investments in-house. Most family offices not only make investment decisions but also execute them. They also focus primarily on financial rather than non-financial risks. With most family offices employing few staff, it is potentially challenging to do anything more than their core tasks.



Asset allocation and portfolio diversification

Key messages

1

Following 2023's appreciation in fixed income prices, family office weightings in developed market bonds have increased materially, reaching the highest weight in strategic asset allocation seen in five years.

2

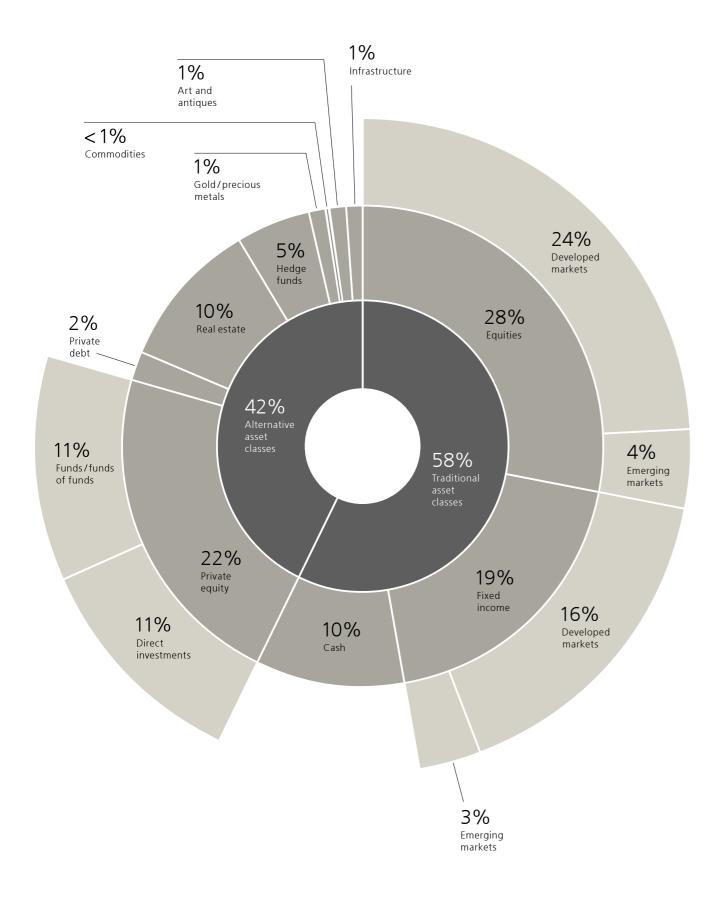
Geographically, family offices tend to have the highest allocations in North America. Over five years, they plan to shift still more capital there, as well as to Asia-Pacific (excluding Greater China). But European and Swiss family offices have a strong home bias towards Western Europe.

3

There is a notable increase in faith in active management as a means of portfolio diversification.

1

Unsurprisingly, generative artificial intelligence (AI) is the most popular investment theme for the next two to three years.



Where the data total does not precisely match the related asset %, this is because we have added the figures together to two decimal places, which can result in slight variations to the figures when rounded.

	Global	US	Latin America	СН	Europe	Middle East	Asia- Pacific	North Asia	SEA
Traditional asset classes									
Equities	28%	28%	30%	31%	28%	27%	26%	25%	29%
Developed markets	24%	26%	23%	29%	25%	22%	21%	20%	23%
Emerging markets	4%	2%	7%	2%	3%	5%	5%	5%	6%
Fixed income	19%	7%	34%	11%	19%	11%	25%	27%	21%
Developed markets	16%	6%	27%	9%	16%	7%	22%	24%	19%
Emerging markets	3%	1%	7%	2%	3%	4%	3%	3%	2%
Cash (or cash equivalent)	10%	6%	5%	14%	8%	11%	14%	14%	13%
Alternative asset classes									
Private equity	22%	35%	18%	18%	22%	28%	19%	18%	18%
Private equity Direct investments	11%	21%	8%	18%	11%	10%	9%	18% 8%	18%
Direct investments	11%	21%	8%	10%	11%	10%	9%	8%	10%
Direct investments Funds / funds of funds	11%	21%	8%	10%	11%	10%	9%	8%	10%
Direct investments Funds / funds of funds Real estate	11%	21% 14% 10%	8% 10% 7%	10% 8% 13%	11% 11% 12%	10% 18% 15%	9%	8% 10% 7%	10% 8% 6%
Direct investments Funds / funds of funds Real estate Hedge funds	11% 11% 10% 5%	21% 14% 10% 8%	8% 10% 7% 2%	10% 8% 13% 3%	11% 11% 12% 4%	10% 18% 15% 5%	9% 10% 6%	8% 10% 7% 6%	10% 8% 6% 5%
Direct investments Funds / funds of funds Real estate Hedge funds Private debt	11% 11% 10% 5% 2%	21% 14% 10% 8% 4%	8% 10% 7% 2% 3%	10% 8% 13% 3%	11% 11% 12% 4% 3%	10% 18% 15% 5% 2%	9% 10% 6% 6% 2%	8% 10% 7% 6% 2%	10% 8% 6% 5%
Direct investments Funds/funds of funds Real estate Hedge funds Private debt Gold/precious metals	11% 11% 10% 5% 2%	21% 14% 10% 8% 4%	8% 10% 7% 2% 3% 1%	10% 8% 13% 3% 1%	11% 11% 12% 4% 3% 1%	10% 18% 15% 5% 2%	9% 10% 6% 6% 2%	8% 10% 7% 6% 2% 1%	10% 8% 6% 5% 3%

CH: Switzerland, SEA: Southeast Asia

11

Global Family Office Report 2024 Global Family Office Report 2024

Balance is back; stability returns

In 2024's survey, family office portfolios appear to be moving back into balance. Strategic asset allocations for 2023 show material shifts, as portfolios appear to adjust for a world of moderating inflation and declining policy rates. This change in allocations may partly reflect elevated bond yields, but it is also consistent with the moves foreshadowed by last year's report.

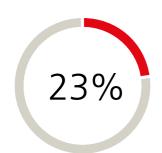
At the heart of this scenario is the stabilizing macroeconomic environment. Inflation and policy rates appear to have peaked in the US and Europe and should gradually move lower in what seems a healthy global economy. Given the seemingly lower interest rate sensitivity of the US, almost three quarters (73%) of family offices say they believe that US real interest rates will remain positive for longer. However, European and Swiss family offices have different expectations: following their experience of negative policy rates over the past 10 years, 38% of those in both locations believe that US real interest rates will fluctuate around zero.

Most family offices believe that we will have positive US real interest rates for longer Family offices' views on interest rates

We will have positive real interest rates for longer



Real interest rates will fluctuate around zero



We will go back to negative real interest rates



	Global	US	Latin America	СН	Europe	Middle East	Asia- Pacific	North Asia	SEA
We will have positive real interest rates for longer	73%	79%	81%	58%	58%	82%	84%	82%	88%
Real interest rates will fluctuate around zero	23%	12%	12%	38%	38%	18%	16%	18%	12%
We will go back to negative real interest rates	3%	9%	8%	4%	4%				

CH: Switzerland, SEA: Southeast Asia

Against that backdrop, family offices' allocations to developed market bonds have increased by the largest amount seen in five years, reintroducing greater balance between bonds and equities.

On average, they allocated 16% to developed market bonds in 2023, up from just 12% in 2022, and plan to maintain this level in 2024.



12 Global Family Office Report 2024 Global Family Office Report 2024 13

"The shift towards developed markets fixed income does not surprise me because we have owned little to no fixed income over the past 10 to 15 years," notes the investment office head of a Swiss family office. "With the increase in interest rates, it was a natural shift as the asset class became sufficiently interesting to deploy capital."

Fixed income allocation reaches new high in 2023 Annual change in strategic asset allocation

	2019 (actual)	2020 (actual)	2021 (actual)	2022 (actual)	2023 (actual)	2024 (plan)
Fixed income (developed markets)	11%	13%	11%	12%	16%	16%
Fixed income (emerging markets)	6%	5%	4%	3%	3%	2%
Equities (developed markets)	23%	24%	24%	25%	24%	26%
Equities (emerging markets)	6%	8%	8%	6%	4%	3%
Private equity (direct investments)	9%	10%	13%	9%	11%	9%
Private equity (funds/funds of funds)	7%	8%	8%	10%	11%	13%
Private debt	N/A	N/A	2%	2%	2%	3%
Hedge funds	5%	6%	4%	7%	5%	4%
Real estate	14%	13%	12%	13%	10%	12%
Infrastructure	0%	0%	0%	0%	1%	1%
Gold/precious metals	3%	2%	1%	2%	1%	1%
Commodities	0%	1%	1%	1%	0%	0%
Cash (or cash equivalent)	13%	10%	10%	9%	10%	9%
Art and antiques	3%	1%	1%	2%	1%	1%

Allocations vary substantially by region, depending on local macroeconomic conditions and long-established preferences. For instance, Latin American family offices have historically made high allocations to fixed income and continue to do so: in 2023, they allocated 27% to developed market bonds. In the US, though, family offices allocated, on average, just 6% to developed market bonds.

Family offices continue to hold their highest weightings in developed market equities, which accounted for almost a quarter (24%) of portfolios in 2023 on average, slightly less than 2022's 25%. In 2024, family offices plan to lift this allocation somewhat to 26%. There is a striking contrast with equities in emerging markets, which made up only 4% of allocations on average in 2023 – half the 8% level reached in 2020 and 2021.

"Fixed income begins with the handicap that it's not tax efficient versus buy and hold equities," explains the president of one US family office. "But let us say that you have fixed income with a yield of 5% today versus 1% previously. It hits people's radar screen. You go from maybe not doing any fixed income to doing some."

Turning to private equity, overall allocations remain steady. Both direct investments and funds/funds of funds stand at average weightings of 11% in 2023, up from 9% and 10% respectively in 2022. For 2024, though, family offices plan to reduce direct investments to 9% and raise allocations in funds/funds of funds to 13%, likely in search of greater diversification.

Apart from fixed income, the 2024 survey's biggest change in asset allocations was in real estate. Globally, family offices' average allocations to real estate declined to 10% in 2023, down from 13% in 2022, as uncertainty over when valuations will bottom continued and liquid yield-generating assets such as fixed income became more attractive.

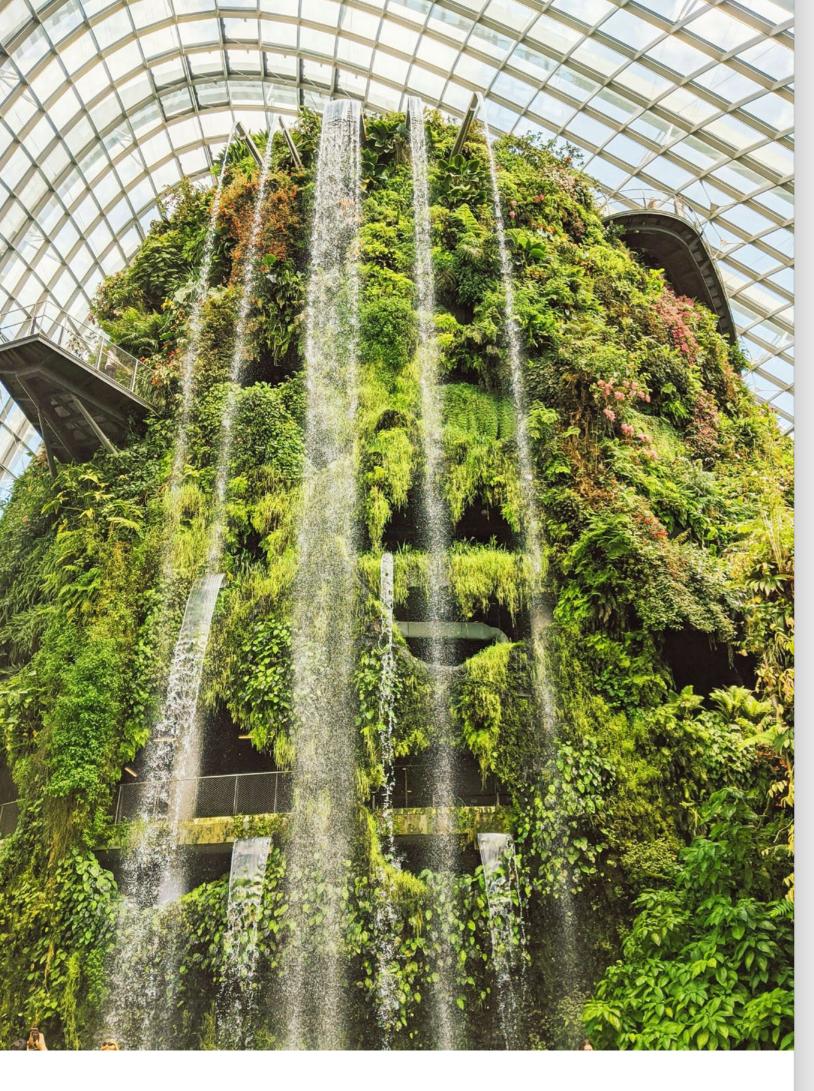
"I can well understand the finding as we have a shopping center in Canada, and in the last five years, with COVID, and recently with the higher interest rates, valuations have taken a beating," notes the principal of a Malaysian family who also oversees the family wealth.

Family offices plan to add equities from developed markets Changes in asset allocation in the next five years

	Net* 2020	Net* 2021	Net* 2022	Net* 2023		Increase	Stay the same	Decrease	Don't plan on investing in this asset class
Fixed income (developed markets)	-22%	-18%	-4%	22%	20%	359	6 46	% 15%	4%
Fixed income (emerging markets)	-10%	3%	8%	10%	2%	149	6 57	% 13%	16%
Equities (developed markets)	36%	35%	29%	32%	33%	469	6 38	% 13%	3%
Equities (emerging markets)	57%	56%	28%	18%	18%	299	6 49	11%	11%
Private equity (direct investments)	49%	42%	42%	28%	25%	399	6 39	% 14%	8%
Private equity (funds / funds of funds)	30%	26%	38%	21%	21%	349	6 43	% 14%	9%
Private debt	N/A	N/A	27%	15%	23%	299	6 47	% 6%	17%
Hedge funds	0%	16%	11%	4%	12%	239	6 49	% 12%	16%
Real estate	42%	22%	37%	22%	14%	289	6 50	% 14%	9%
Infrastructure	37%	23%	25%	17%	23%	279	6 47	% 4%	23%
Gold/precious metals	15%	10%	4%	9%	4%	109	6 56	% 7%	27%
Commodities	2%	9%	10%	12%	2%	79	6 54	% 5%	34%
Cash (or cash equivalent)	-8%	 _18%	-15%	 _13%	-7%	219	6 48	% 28%	4%
Art and antiques	10%	8%	10%	12%	2%	109	6 47	7%	36%

^{*} Net equals increase minus decrease (i.e., a positive net indicates that more family offices plan to increase than to decrease, a negative net indicates that more family offices plan to decrease than to increase)

16 Global Family Office Report 2024 Global Family Office Report 2024 17



For 2024, family offices plan to partially reverse the decline in real estate allocation, with the average allocation recovering to 12%.

Allocations to cash are set to fall slightly in 2024, which is unsurprising given that central banks in the US and Europe are signaling future cuts in policy rates. While average allocations held steady at 10% in 2023, family offices plan to reduce them to 9% in 2024.

Looking forward over five years, family offices plan to increase allocations in a range of asset classes. Almost half (46%) of family offices anticipate raising their developed market equity allocations in the next five years. More than a third (39%) plan to add to direct private equity investments, and a similar proportion (34%) to funds/funds of funds. At the same time, over a third (35%) intend to add to developed markets fixed income. Suggesting that they are becoming more optimistic, more than a quarter (28%) of family offices plan to cut cash allocations.

But the uncharacteristic shifts of 2023 – with its rising fixed income and falling real estate allocations – appear to be over. Returning to their habit of making only minor adjustments to strategic asset allocation, fewer family offices are planning changes going forward. On average, only a little over a quarter (27%) of family offices intend to make changes to their strategic asset allocation in 2024 – down from over a third (37%) that said they planned changes for 2023 in last year's report.

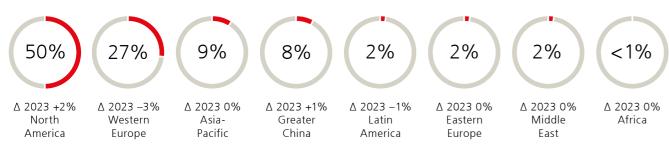
Global Family Office Report 2024 Global Family Office Report 2024

Rising allocations in North America and the Asia-Pacific region

Family offices appear to be strong believers in American exceptionalism, as US tech companies lead the generative AI revolution and occupy a growing share of global equity markets. Family offices, on average, have half (50%) of their portfolios invested in North American asset classes, building on a multiyear theme of increasing their investments in a region that has proved resilient to high policy rates and geopolitical risks, while offering the prospect of relieving global labor shortages through AI's anticipated productivity gains.

Assets continue to be concentrated in North America Asset allocation by region (global average)

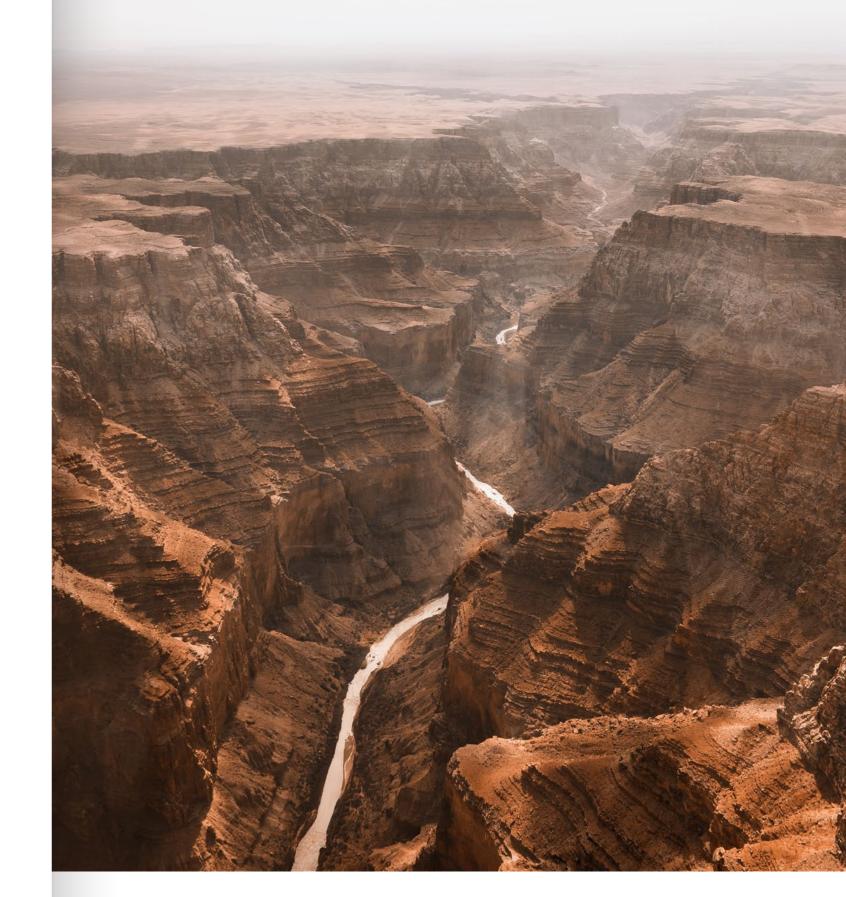
% Home investment



Region invested in:	US	Latin	CH	Europe	Middle	Asia-	North	SEA
region invested in.	U3	America	Сп	Europe	East	Pacific Pacific	Asia	SEA
North America	82%	63%	37%	38%	49%	49%	46%	54%
Western Europe	8%	13%	54%	49%	24%	11%	11%	9%
Asia-Pacific (excl. Greater China)	3%	5%	3%	4%	5%	19%	15%	28%
Greater China	2%	2%	2%	2%	3%	20%	24%	9%
Latin America	3%	13%	1%	1%	2%	0%	1%	0%
Eastern Europe	2%	2%	2%	5%	0%	0%	1%	0%
Middle East	0%	2%	1%	1%	17%	1%	1%	0%
Africa	0%	0%	1%	0%	0%	0%	0%	0%

CH: Switzerland, SEA: Southeast Asia

"If the US is doing fine, why do we need to invest somewhere else?" asks the president of a US family office, adding that almost all its non-real estate assets are in the US. "At the end of the day, this is an absolute return game, not a relative return game. You add to that the fact that the prospects for Europe do not seem as good as in the US."



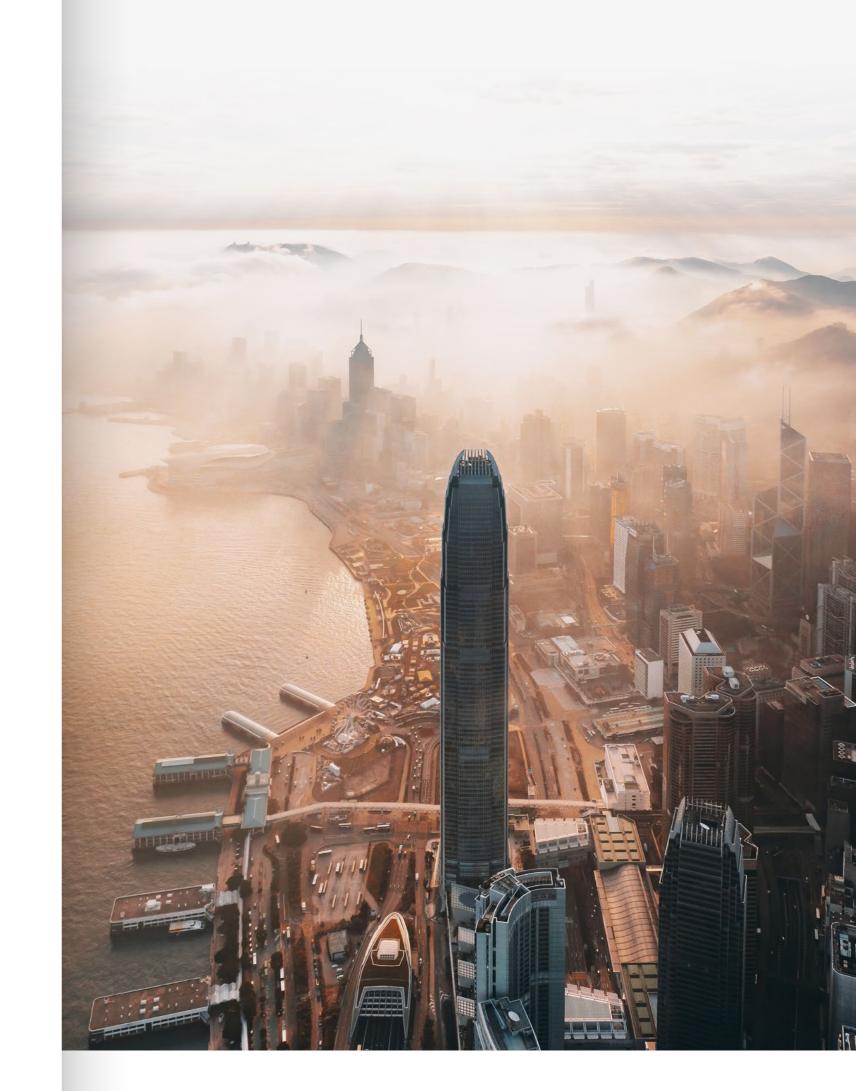
By contrast, just over a quarter (27%) of allocations are in Western Europe, with its market-leading companies in sectors such as luxury goods and automation. Turning to Asia-Pacific, assets in the region – including markets such as Japan, India and Australia but excluding Greater China – accounted for 9% of portfolio allocations. Meanwhile, Greater China itself accounted for 8%.

As ever, these broad averages mask notable local biases. For instance, US family offices have, on average, 82% of portfolios allocated to North America and just 8% to Western Europe. In a mirror image, Swiss family offices allocated 37% to North America and 54% to Western Europe, while Europeans allocated 38% to North America and 49% to Western Europe. Turning to Asia-Pacific, European and North American family offices have, on average, just 2% allocated to Greater China, against North Asian family offices' 24% and Southeast Asians' 9%.

Looking forward over five years, confidence in North America and Asia-Pacific (excluding Greater China) is enduring. Over a third of family offices plan to increase allocations to North America (38%) and Asia-Pacific (excluding Greater China) (35%).

North America and Asia-Pacific will attract assets Asset allocation changes by region in the next five years

	Net* 2021	Net* 2022	Net* 2023		Increase my investments in this region	Stay the same	Decrease my investments in this region	Don't plan on investing in this region
Western Europe	16%	15%	21%	7%	17%	68%	10%	6%
Eastern Europe	4%	9%	0%	-3%	4%	57%	7%	32%
Middle East	4%	5%	1%	3%	5%	52%	3%	40%
Africa	10%	14%	5%	1%	3%	52%	2%	43%
Latin America	16%	6%	0%	3%	7%	55%	4%	34%
North America	23%	23%	21%	29%	38%	52%	9%	1%
Greater China	61%	39%	12%	0%	16%	52%	16%	17%
Asia-Pacific (excl. Greater China)	54%	50%	29%	30%	35%	50%	5%	10%



^{*} Net equals increase minus decrease (i.e., a positive net indicates that more family offices plan to increase than to decrease, a negative net indicates that more family offices plan to decrease than to increase)

Looking to diversify through active management, high-quality short duration fixed income and hedge funds

Just as balanced portfolios appear to be back in favor, so too does active management. Amid rapid technological change, shifting rate expectations and uneven growth, the increased dispersion of returns offers opportunities for active management. Almost four in 10 (39%) family offices globally state that they are currently relying more on manager selection and/or active management to enhance portfolio diversification, up 4% from 2023.
Corroborating the increased fixed income weightings, high-quality short duration fixed income is the second most popular strategy for diversification, with 35% diversifying in this way. Finally, hedge funds are used by a third (33%) of family offices for diversification.



Family offices are looking to diversify through active management Top six strategies currently used for diversification

	Global	Δ 2023	US	Latin America	СН	Europe	Middle East	Asia- Pacific	North Asia	SEA
Rely more on manager selection and/or active management	39%	+4%	32%	37%	31%	43%	37%	42%	38%	50%
High-quality short duration fixed income	35%	-1%	47%	37%	26%	33%	10%	44%	45%	41%
Hedge funds	33%	-1%	38%	17%	29%	30%	33%	40%	39%	41%
Tilting portfolio to- wards more defensive geographies/sectors	27%	-2%	35%	17%	17%	25%	17%	37%	38%	34%
Increasing our amount of illiquid assets	25%	+4%	35%	23%	14%	40%	27%	15%	13%	19%
High-quality long duration fixed income	25%	+15%	18%	27%	14%	25%	17%	34%	36%	28%

CH: Switzerland, SEA: Southeast Asia

Once again, global averages mask big regional differences. In the US, for instance, high-quality short duration fixed income is by far the most popular means of diversification, with almost half (47%) of family

offices deploying it. Hedge funds are the second most popular way to mitigate risk, according to over a third (38%). By contrast, active management is most popular in Europe (43%) and Asia-Pacific (42%).



Artificial intelligence is the most popular investment theme

From a thematic perspective, it's to be expected that generative AI is the most popular investment theme, with more than three quarters (78%) of family offices stating it is likely to be an area of investment in the next two to three years. This is closely followed by healthtech (70%) and then automation and robotics (67%). Again, there are regional differences related to where industries have the strongest presence domestically. Some 83% of US family offices state they are likely to invest in AI, while 76% of Swiss family offices are likely to invest in healthtech.



Risk matters: geopolitics lead concerns, followed by climate change over five years

While economies may appear to be stabilizing, family offices express concern about a range of investment risks. Geopolitics is the top concern, but climate change emerges as a top risk in the medium term.

Most (61%) say they will take similar amounts of portfolio risk to 2023 in the next 12–18 months but appear to find today's fractious geopolitics unsettling. Over 12 months, 58% say they are concerned about the possibility of a major geopolitical conflict and its possible impact on their financial objectives. There also appear to be concerns that central banks may only be able to cut interest rates slowly, with 37% of family offices stating they have concerns about higher interest rates and 39% about higher inflation. Corresponding with the drop in real estate asset allocations, a real estate correction is also a concern for 39%.

Family offices plan to leave levels of risk unchanged Managing portfolio risk in the upcoming 12–18 months vs. 2023

I will likely take on less risk

I will take the same risk

I will likely take on more risk







	Global	US	Latin America	СН	Europe	Middle East	Asia- Pacific	North Asia	SEA
I will likely take on less risk	21%	15%	27%	13%	19%	20%	27%	29%	21%
I will take the same risk	61%	76%	54%	70%	60%	60%	54%	56%	50%
l will likely take on more risk	18%	9%	19%	17%	21%	20%	19%	15%	29%

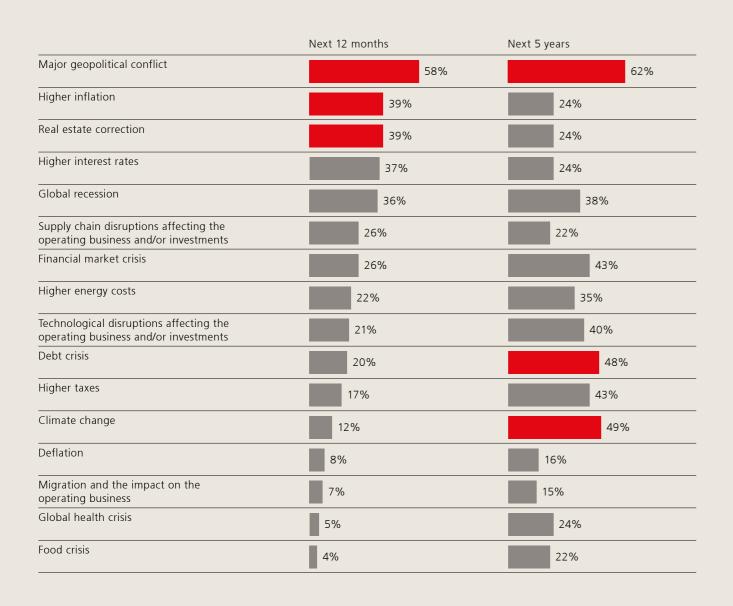
CH: Switzerland, SEA: Southeast Asia

When asked to look further forward over five years, longer-term worries come into sharper focus. While geopolitical conflict remains the top concern (62%), almost half (49%) are worried about climate change and nearly as many (48%) are concerned about a debt crisis at a time when Western countries are burdened by high levels of public debt that might appear unsustainable.

For the sake of comparison, just 12% cite they are concerned about the risk of climate change with regard to their financial objectives over the next 12 months and only 20% worry about a debt crisis.

For the investment manager of a Mexican family office, climate change is already top of mind as the country has been suffering from a drought for several years. "To me the finding makes sense," he says. "Let me explain why. In Latin America, infrastructure for things like water does not develop as fast as in developed countries. It takes time. If you can adapt the infrastructure to harbor resources, you can at some level mitigate the impact. If your infrastructure is 30–40 years old, though, the impact is huge."

Geopolitics is the main risk over the short and medium term Risks over the next 12 months and five years



There are noteworthy variations in family offices' top concerns. For instance, the top concern over the next 12 months among Latin Americans is inflation – although they are also concerned about geopolitics, it appears less of a concern than in other regions. Technological disruptions are a greater concern for those family offices with operating businesses than those without.

When seeking to hedge risk in their portfolios, family offices typically either increase portfolio liquidity (47%) or reduce exposure to riskier asset classes (45%). More than a fifth (21%) use derivative overlays.

Anecdotally, the appetite for risk depends on the generation of the family in charge. "Some of China's first generation tech entrepreneurs have founded big family offices and their pioneering spirit often results in a relatively aggressive investment style," notes a Hong Kong family office executive. "However, in the Chinese families where the second or third generations are assuming leadership, priorities are tending to shift towards preserving legacy and ensuring the long-term stable growth of wealth. This generational transition often results in a more conservative approach."

How operating businesses influence strategic asset allocation

The report reveals the relationship between family offices and connected operating businesses for the first time this year. With more than three quarters (77%) of family offices still having a related operating business, it is significant that, on average, almost two thirds (62%) of family offices with related operating businesses state that they consider the main business' exposure when setting strategic asset allocation.

Quite how they do so varies. Most commonly, almost three quarters (72%) of those that consider the exposure say that they use strategic asset allocation as an effective way of diversifying the operating business's economic exposures. Just over a third (34%) state that some/all of the liquid part of the asset allocation acts as an emergency reserve. And almost as many (32%) view part of the asset allocation as a hedge to a wider unexpected event affecting the operating business – for example a geopolitical event or an economic downturn.

The nature of the operating business may also affect the investment portfolio in other ways. For instance, family offices with connected real estate businesses have lower allocations to fixed income (14%) than those without (23%). This may be because real estate is also a source of income. Additionally, family offices with businesses in the real estate sector allocate significantly more to real estate (22%) in their investment portfolios than those without (7%).

Finally, having an operating business seems to curb risk appetites. Family offices with connected operating businesses appear to invest less in public and private equity than those without. The exception is family offices with businesses in the start-up/growth stages, which invest more than average in direct private equity while having lower fixed income and cash allocations.



Fixed income

Key messages

1

As they ramp up bond allocations, family offices are mainly doing so through reducing cash.

2

They are prioritizing high-quality bonds while avoiding longer duration bonds that have greater interest rate sensitivity.

3

Most family offices are using fixed income for diversification, but benefiting from high yields and generating a steady income are also motivations.

Funding higher bond allocations from cash

With cash rates likely to fall, many family offices aim to fund their increased fixed income allocations mainly from cash. Of those family offices seeking to add to fixed income over the next five years, more than half (53%) say that they plan to do so by shrinking cash allocations. Additionally, around a fifth plan to fund higher fixed income allocations by cutting their weightings in private equity (21%) and real estate (20%) respectively.

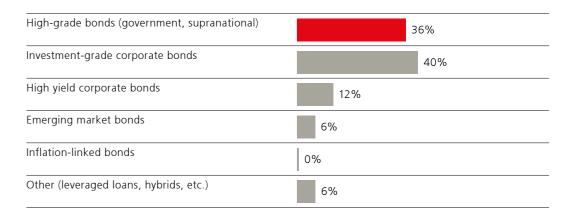
However, a third (33%) of family offices that are looking to increase fixed income allocations and have a connected operating business say that they will buy fixed income with the cashflows from their operating businesses.

Preferring quality; shorter duration

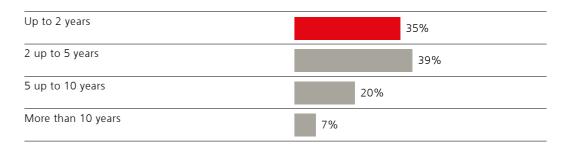
Family offices with fixed income investments are prioritizing high-quality bonds. On average, 40% of fixed income investments are allocated to investment-grade corporate bonds and 36% to high-grade government or supranational bonds.

Investment-grade and high-grade bonds are favored

Type of investments (family offices with fixed income investments in 2023)



Family offices prefer bonds with tenors of one to five years Tenor of investments (family offices with fixed income investments in 2023)

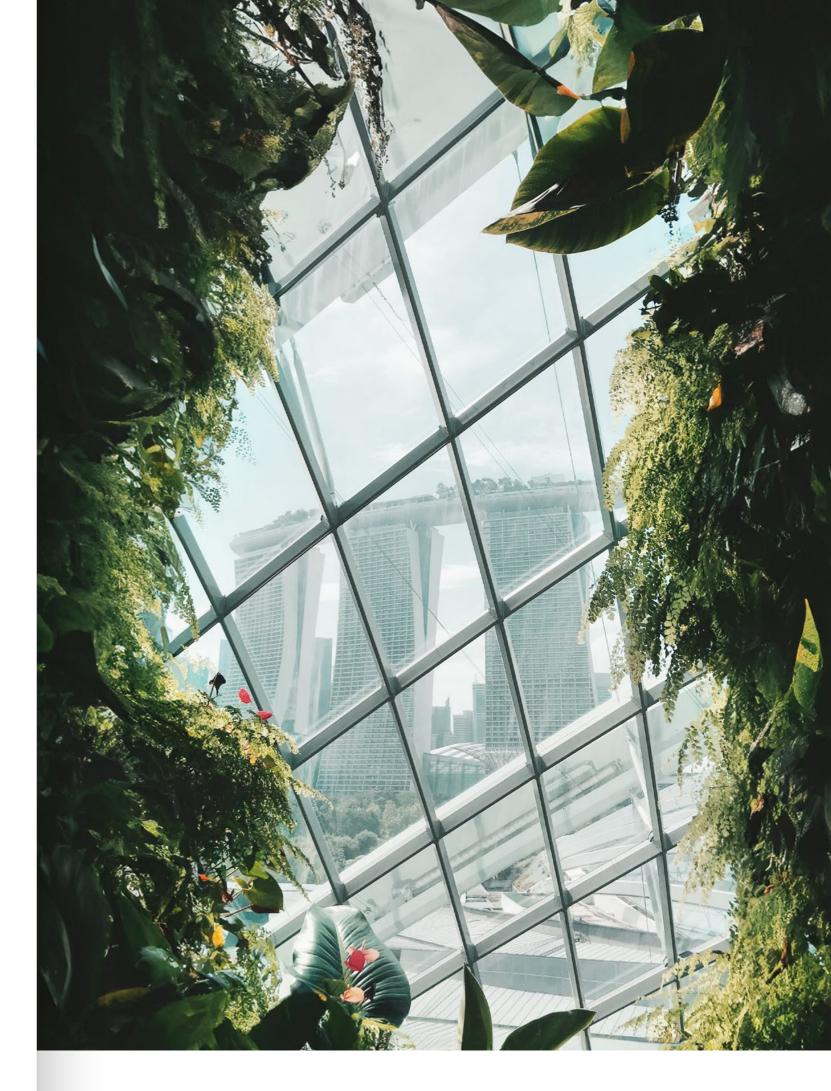


Family offices are chiefly concentrating on bonds with tenors of up to five years, which have the attractions of high yield, stability and sensitivity to falling policy rates. On average, 35% of their fixed income investments have tenors of up to two years, with a further 39% having tenors of two to five years. Family offices are reluctant to hold tenors of more than 10 years, with an average allocation of just 7%.

Motivations: from diversification to steady income

When asked why they are holding fixed income, most family offices (60%) with fixed income investments reply that it is to diversify portfolios. Half (50%) say it is to balance risk and almost half (49%) want to benefit from high yields. Forty-eight percent say they do so to receive a steady stream of income. However, there are interesting regional differences, with US family offices most commonly stating that they want to benefit from high yields.

"You have less control with long duration so it could be volatile," notes an executive at a Singaporean family office. "The short and the intermediate terms are where you have a better understanding and can use to reduce portfolio volatility."





Private equity and real estate

Key messages

and liquidity.

The top concern for investors in private equity in the next 12 months is the lack of exits

Potentially seeking diversification, family offices mainly invest in funds, although direct investments are also popular.

3

Real estate investors favor direct investments in fully-owned physical property, although co-investments are almost as popular in the US.

Global Family Office Report 2024 Global Family Office Report 2024 "We want to see some realizations before people come back to raise more money," says the president of a US family office. "I think that is a similar thing to what most of the endowments are pushing for. I do not worry about the exits because I think they will happen eventually but if private equity firms want to raise more funds they will have to calm down."

Private equity investors worry about lack of available exits and liquidity

Among family offices investing in private equity, the slowdown in realizations and exit activity is the main concern for the next 12 months. Some 61% of them cite this worry, with a further 48% naming a lack of liquidity.

There continues to be confidence in the asset class's returns. On average, 71% of family offices investing in private equity explain that they are doing so to diversify their investment portfolios, while 71% think the long-term returns are likely to be better than in public equities.

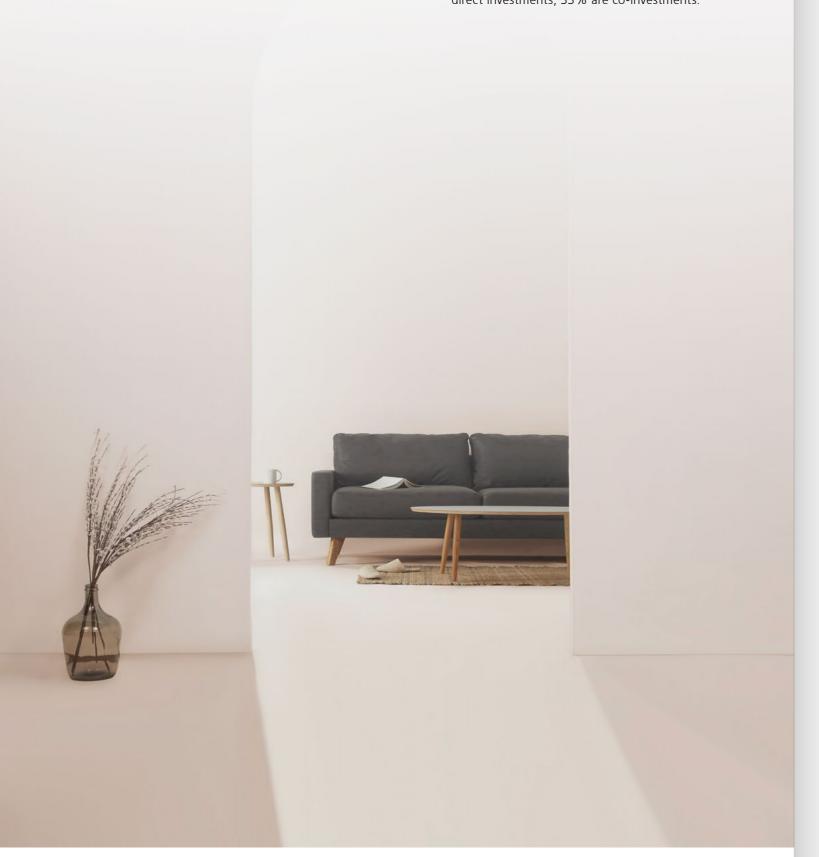
Most commonly, private equity investments are allocated to funds and funds of funds (62%), which offer the benefits of diversification and general partner (GP) expertise. However, many family offices make their own direct equity investments, with allocations to direct investments at 38% - 15% of allocations are for investments as an active shareholder, 13% are allocations for investments as a passive shareholder and 10% of allocations go towards coinvestments alongside a GP. The popularity of direct investments rises among the largest family offices. Of those with more than USD 1 billion in assets almost half (49%) of allocations go towards direct investments.

"We like the directs; they are fun; we think we can do it. It is in our DNA," says the CEO of a Benelux family office.



Real estate investors favor physical property

Turning to real estate, family offices with real estate investments most commonly buy fully-owned physical property, making 52% of real estate investments in this way. However, co-investments in physical real estate are increasing in popularity, as are investments in direct closed-end funds, with allocations of 19% going to each respectively. In the US, co-investments are almost as popular as direct investments. While 34% allocations go towards direct investments, 33% are co-investments.



Private equity investments are mostly allocated to funds

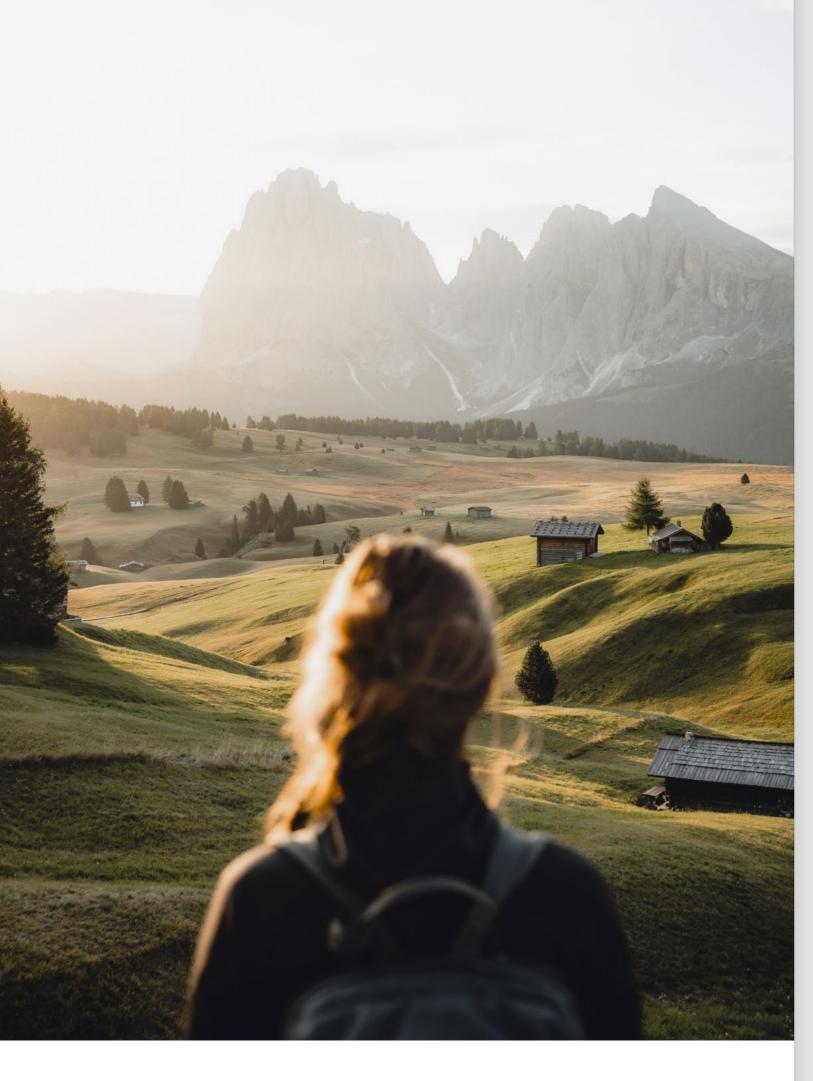
Manner of investing (family offices with private equity investments in 2023)

		Δ 2023
Private equity funds		52% –5%
Private equity funds of funds	10%	2%
Direct investment(s) in private equity as an active shareholder	15%	0%
Direct investment(s) in private equity as a passive shareholder	13%	2%
Direct co-investments in private equity as an active shareholder	2%	-1%
Direct co-investments in private equity as a passive shareholder	8%	1%

Real estate investors favor physical property

Manner of investing (family offices with real estate investments in 2023)

			Δ 2023
Direct investments in fully owned physical real estate		52%	-8%
Co-investments in physical real estate (i.e., investing with others to buy physical real estate)	19%	%	5%
Investments in direct closed-end funds	19%	%	6%
Investments in direct open-end funds	5%		0%
Investments in fund of funds	1%		-1%
Listed real estate (e.g., REITs)	4%		-2%
=			



Sustainability and impact

Key messages

1

2

With climate and nature increasingly in the spotlight, family offices that take sustainability and impact into account commonly consider it an essential matter of risk and opportunity – for both their investments and related operating businesses.

As they get more familiar with the topic of sustainability and impact, family offices want more sophisticated information and advice.

Global Family Office Report 2024 Global Family Office Report 2024

An essential matter of risk and opportunity

It appears that sustainability is becoming an increasingly important topic affecting not just family offices' investment portfolios, but also the long-term outlook of operating businesses. This is consistent with the finding that almost half (49%) of family offices view climate change as a top risk over the next five years (as reported in section 1).

More than half (57%) of family offices with an operating business are either taking sustainability considerations into account already for their operating businesses or plan to do so in the future. Echoing this, almost half (49%) of these respondents say that finding the right approach to addressing the net zero transition and reducing emissions will be of key importance to their operating businesses over the next one to three years.

Several family offices with large real estate holdings indicate that sustainability has become critical for them.

Evidently, net zero and the wider topic of sustainability have become an everyday matter of both risk and opportunity. Among those family offices incorporating sustainability and/or impact considerations, 47% say it is important to manage financial and non-financial risks for both their investment portfolios and business operations, and 42% say it makes commercial sense by providing attractive investment and business opportunities. Beyond these commercial motivations, 44% state that sustainability is fundamentally important to the beneficial owner.

A Benelux family office CEO notes that sustainability is a key part of his investment strategy. "We strongly believe in office buildings because we think we can buy them cheap. We can buy them, strip them down and make them ESG future proof."

For the investment portfolio, sustainability is far from just a "hygiene factor." For two thirds (66%) of family offices, market-based financial returns are a defining feature of sustainable and impact investments, similar to other more traditional investments. Also, 44% of family offices either take or intend to take sustainability or impact into account in their liquid investment portfolios, and 45% when making direct investments in green tech or other sustainability-related ventures.

As the Malaysian principal and family member who oversees his family's wealth explains: "I've been managing our family office for 40 years and my nephew is taking over now. Usually, it's very hard to pass on the reins, but I have moved to an even better job which is running the family philanthropic foundation."

Understanding philanthropy

When it comes to philanthropy, almost a third (32%) of family offices globally are focusing on and/or looking to better understand it. This is especially pronounced in the Asia-Pacific region, where 41% of family offices agree or strongly agree that innovative financial approaches like blended finance or outcomes-based finance will lead to a convergence of traditional investing and philanthropy activities.

Philanthropy and charitable giving appear especially popular in the US and Asia-Pacific, with 45% of family offices in both regions saying they currently take it into account.



46 Global Family Office Report 2024 Global Family Office Report 2024 47



Healthcare is the top sustainability theme, followed by the climate-related topics net zero and energy transition

Healthcare is the top-rated sustainability and impact theme that family offices are looking to focus on or better understand, according to 39% of family offices, as well as net zero and the energy transition (32%), clean tech/green tech/climate tech (30%) and education (28%). These are all themes that lend themselves well to investors earning a competitive investment return while simultaneously seeking to generate a positive impact. Importantly, these are areas where investors may find it somewhat easier to measure the impact achieved.

Requiring more sophisticated information and advice

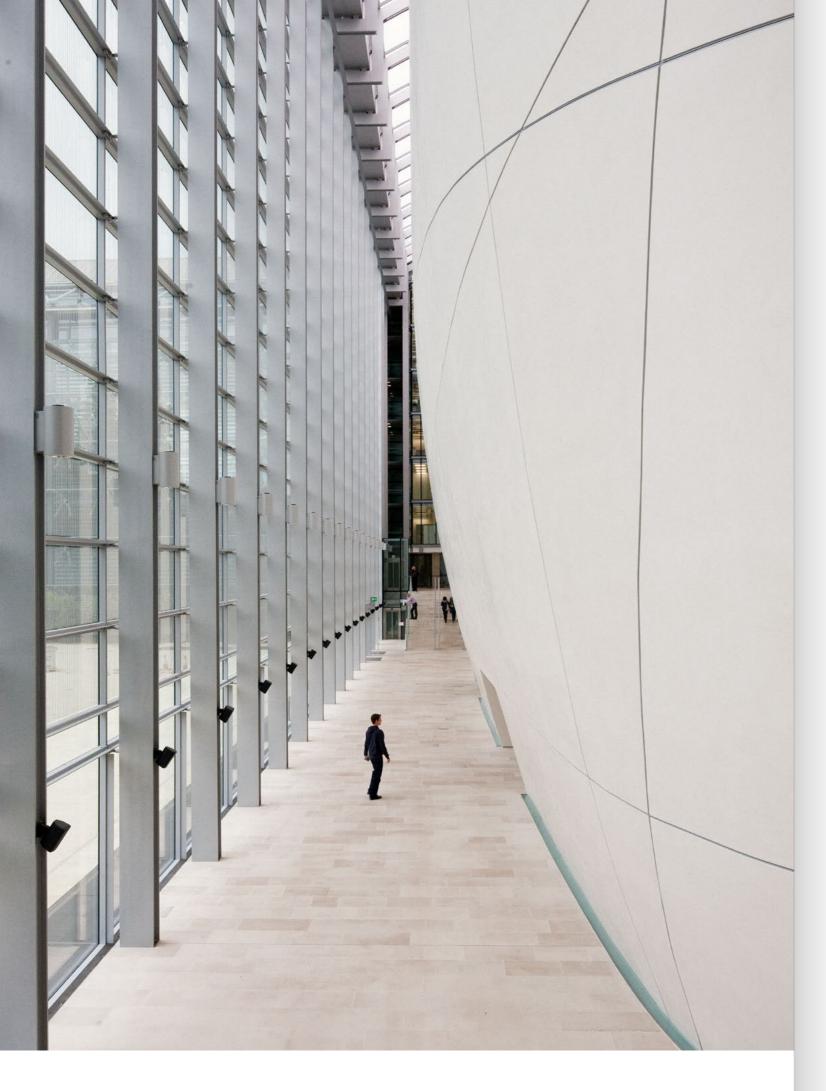
As the topic of sustainability matures, family offices need more information and advice. Better data analytics to measure the impact of investments and/or business operations would help in achieving sustainability and/or impact goals, according to 37% of respondents. Similarly, 34% would find educational materials helpful, with 32% also looking for direct access to industry experts.

Notably, over half (55%) of family offices globally strongly agree or agree that difficulties in accurately measuring impact are holding them back from allocating more money to impact investments. However, as they become more sophisticated in their approach, family offices appear to doubt the usefulness of sustainable investment product labels, with only 36% stating that labels are important indicators when selecting investments.

Data analytics in demand

Options to better achieve goals (family offices taking sustainability/impact into account)

Data analytics to measure impact of investments/business operations	37%
Access to educational materials on sustainability/impact-related topics	34%
Direct access to leading industry sector experts	32%
Networking opportunities with other family offices	31%
Access to "deal flow"/co-investment opportunities for early-stage ventures	27%
Access to topical thematic research	25%



Professionalization and governance

Key messages

1

Many family offices have room for further professionalization.

2

The services carried out in-house mainly relate to investment management, with specialist services like tax, legal and cybersecurity outsourced.

3

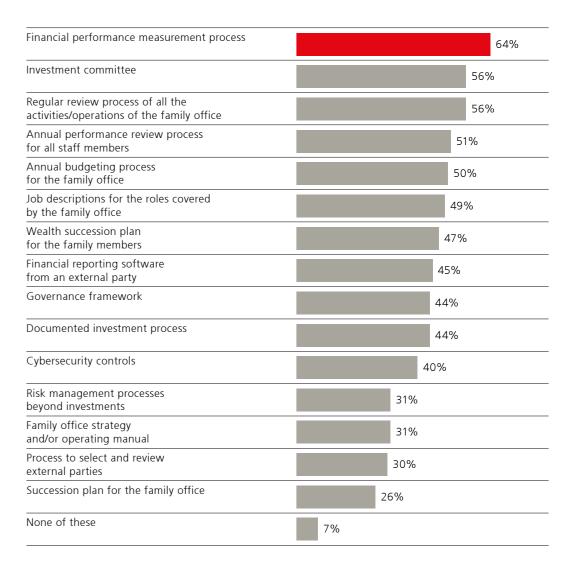
There is a focus on financial risks rather than the wider range of risks a family faces, such as reputational and medical risks.

Many family offices have room to professionalize further

While family offices can cover a wide range of a family's needs, many appear to have a narrower scope and room to professionalize further. For instance, when it comes to the family office's key role of investment management, the picture is mixed. An average of just 56% of family offices globally have an investment committee, with only 44% having a documented investment process. What's more, in Switzerland and Southeast Asia fewer than 40% of family offices have documented investment processes (39% and 38% respectively).

Turning to broader controls, just 44% globally have an overall governance framework in place, 40% have cybersecurity controls (down from 44% last year) and only 31% have risk management processes extending beyond investments.

Most family offices have opportunities for institutionalization Common governance controls and processes in place



The picture looks much better in family offices with more than a billion dollars in assets. More than three quarters (76%) of these family offices have an investment committee and 60% a documented investment process. Continuing the comparison, 64% have a governance framework, 68% cybersecurity controls and

44% risk management processes extending beyond investments. Similar uplifts in scores can be found when comparing first generation family offices with later-stage family offices, and family offices with few staff versus those with large teams. This underlines the journey family offices go through from inception to maturity.

Global Family Office Report 2024 Global Family Office Report 2024 53

Performing investments in-house; outsourcing non-core services

Family offices mainly perform financial tasks in-house – either around the management of investment portfolios or reporting. Almost all family offices (85%) perform strategic asset allocation in-house, with 78% carrying out portfolio risk management, 71% financial reporting and 71% bookkeeping and accounting.

Three types of specialist services tend to be outsourced: legal services (67%), cybersecurity (57%) and tax planning (53%). Investment research is roughly equally performed in-house (50%) and outsourced (44%).

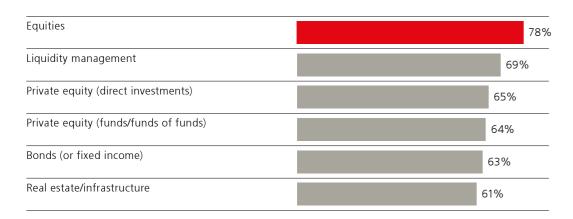
Some services simply are not covered by many family offices in any way. Almost half (47%) of family offices do not perform lifestyle services. A similar proportion (45%) does not carry out pension and/or life assurance planning.

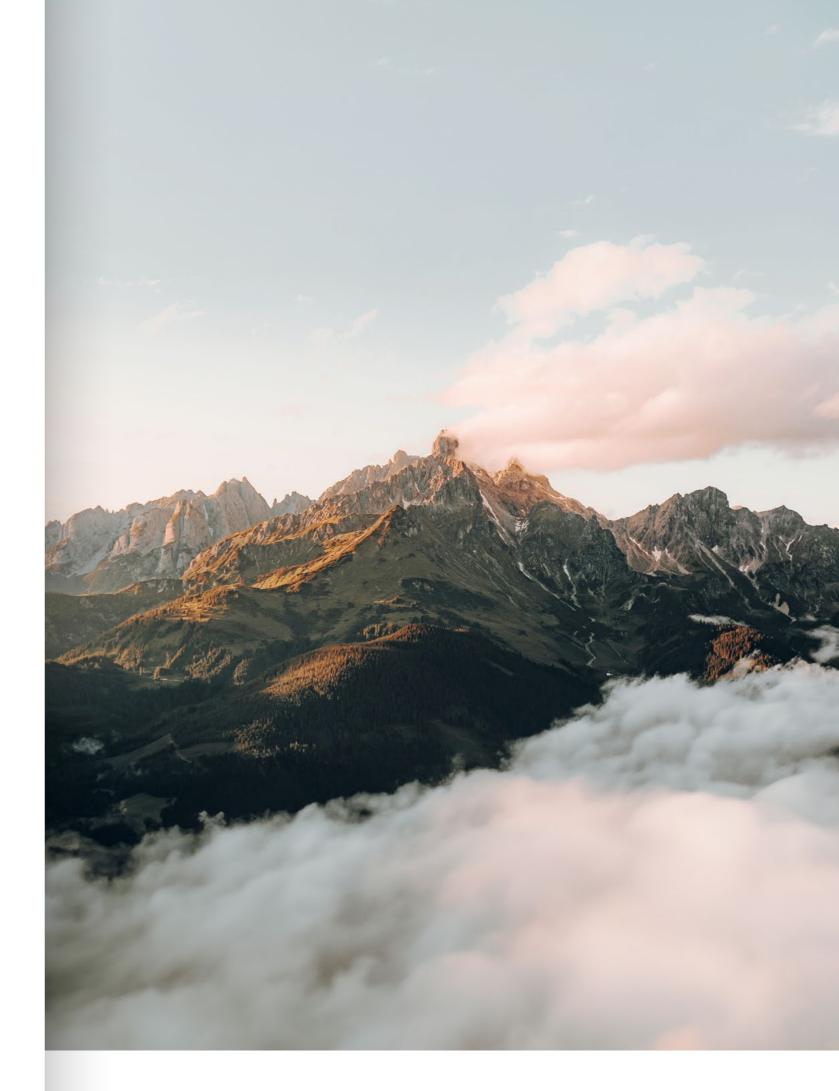
In-house investment professionals act across asset classes

On average, more than half (52%) of family offices say that in-house investment professionals decide and actively execute the majority of their investment decisions. A further 27% splits investment management roughly equally between in-house teams and external partners. The split varies across regions. In the US, for example, 65% conduct most investment activity in-house. By contrast, in Latin America and the Middle East the proportion falls to 39% and 31% respectively. Taking a global average, it's surprising that more than a third (37%) of family offices with up to three staff members say that they make and execute most investment decisions in-house.

Investment professionals concentrate mainly on equities

Top areas of focus for in-house investment professionals (family offices with active investment professionals)





Among those family offices that said they decide and actively execute at least some of their investments in-house, they most commonly focus on equities (78%). However, 69% focus on liquidity management and 63% on fixed income. When it comes to private equity, 65% concentrate on direct investments and 64% on funds/ funds of funds. Similarly, 61% focus on real estate/infrastructure.



Managing financial risk first

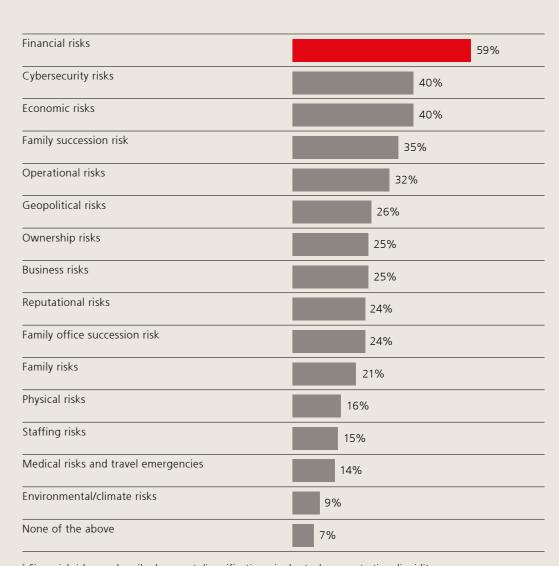
Corroborating the picture of a primary focus on investment management is risk management. Most family offices concentrate on managing financial risk, with less emphasis on other types of risk. An average of 59% say they have measures and/or procedures in place to deal with financial risk and 40% economic risk.¹ But only 24% focus on reputational risks, and 14% address medical risks and travel emergencies for the family.

There is some evidence of inadequate planning for "key person risk." Almost four in 10 (39%) of family offices say that they currently have key person risk within the family office, yet only around a quarter (26%) have a succession plan in place for the family office to deal with business risks such as continuity of staff and services.

The succession opportunity

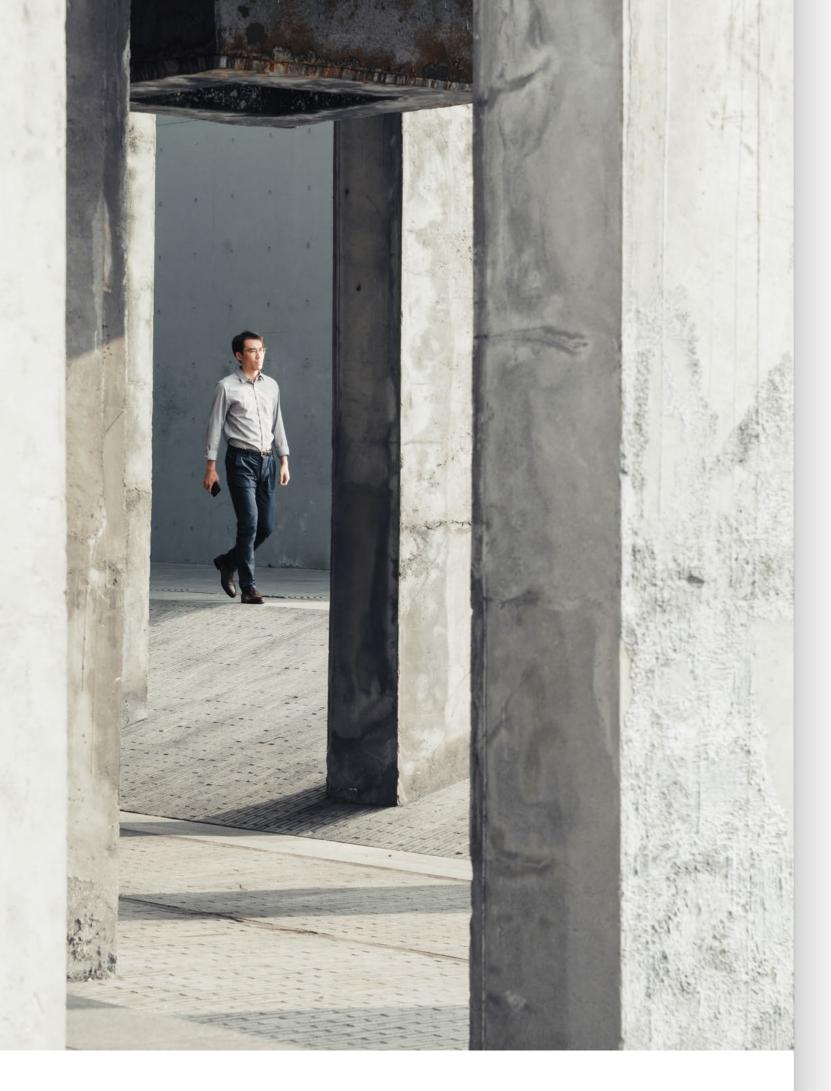
When it comes to the top-stated purpose of supporting the generational transfer of wealth, family offices have an opportunity. Indicating the magnitude of the wealth handover to come, it's estimated that over the next 20 years more than 1,000 billionaires will pass an estimated USD 1.2 trillion to their children.² Yet, on average, just 47% of family offices say that they currently have a wealth succession plan in place for family members, showing the potential for starting to plan how wealth will pass to the next generation.

Most family offices are covered against financial risks Risks covered by family offices



¹ Financial risks are described as asset diversification, single stock concentration, liquidity, poor performance loss, etc. Economic risks are described as market downturn, currency depreciation, etc.

² UBS Billionaire Ambitions Report 2023: The great wealth transfer.



Costs and staffing

Key messages

1

2

3

Most family offices employ up to 10 staff, meaning they likely only have sufficient resources to carry out their core tasks.

Typically, family offices support only the first and/or second generation.

Costs are forecast to stabilize in 2024, after a small rise in 2023.

Global Family Office Report 2024 Global Family Office Report 2024

Most family offices do not have the resources for a wide range of tasks

With most family offices employing just a small number of staff, they appear to lack the capacity to do anything more than their core tasks. The data suggests these tasks are managing investments and performing the supporting administration (see section 5).

Two thirds (66%) of family offices only employ up to 10 members of staff (with 20% just employing up to three), which is typically not enough to carry out the full gamut of services that might be expected – from investment management through to bookkeeping, philanthropy, tax and lifestyle support. Also, in 72% of family offices at least one employee is a family member. The limited capacity of family offices can be seen in the fact that just over a third (37%) of family offices managing more than USD 1 billion still only employ up to 10 members of staff. That said, there are some very well staffed institutions in this bracket, with a similar proportion (26%) employing from 21 to 50 people: a few, 8%, employ more than 50.

"Family offices tend to be very lean," explains a former head of a Swiss family office who now acts as a family office advisor. "There is a tendency to take the really private stuff outside the family office. I can confirm that most family offices have no more than 10 people. They think very clearly about make or buy. What can you insource and what can you outsource? In my view, this is a noticeable change."



More than half of family offices support only the first (52%) and/or second (59%) generation. On average, family offices support just seven family members, for instance paying them an income or providing supporting services.

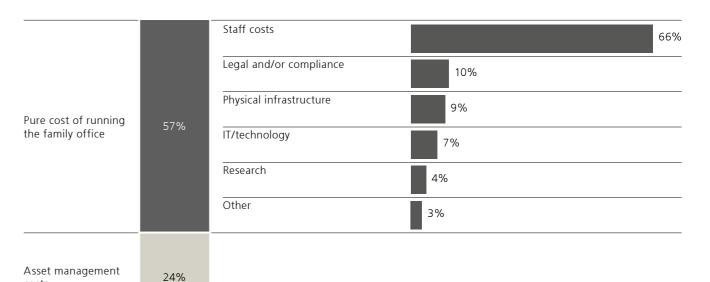
Costs are stabilizing

There was a small increase in the costs of running a family office in 2023, although they now appear to be stabilizing. On average globally, the overall pure cost of operating the family office in 2023 was 39.8 basis points (bps) of assets under management (AUM), up from 38.1 bps in 2022. Looking forward to 2024, planned costs are 40.3 bps.

Scale brings cost benefits. Costs fall when wealth managed grows from the USD 100 m to 250 m range to over USD 1 bn. In the former range, actual costs for 2023 average 43.2 bps, while for the latter they average 35.2 bps.

As in previous years, the family office's largest projected cost in 2024 will be the cost of running itself, rather than paying its external partners. The pure cost of running the family office – including personnel, infrastructure, IT, etc. – accounts for 57% of projected costs in 2024. The next largest cost was asset management, at 24%.

Pure family office spending remains the driver of overall cost Split of overall and operating costs in 2024





costs

Other

Banking-related

services fees
External structures

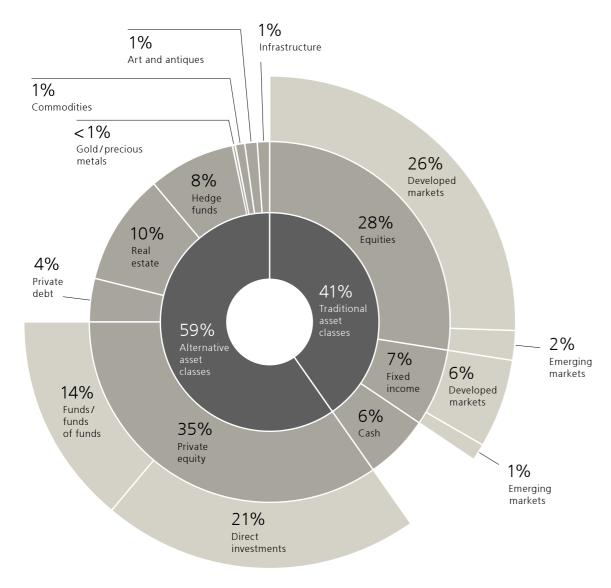
9%

7%

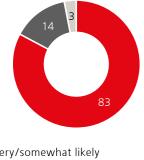
3%

United States

Strategic asset allocation 2023



Likelihood to invest in Al in the next 2–3 years





Interest rate trend in the current investment cycle

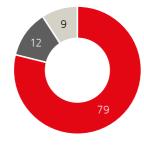
Portfolio risk in the next

12-18 months vs. 2023

I will likely take on less risk

I will likely take on more risk

I will take the same risk

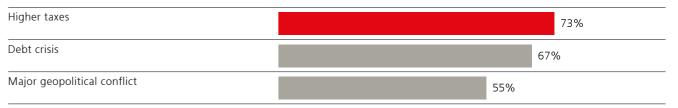






Top risks over the next five years

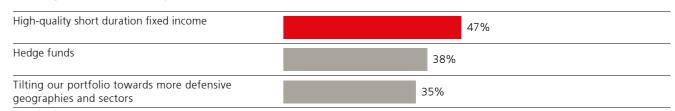
Top risks over the next 12 months



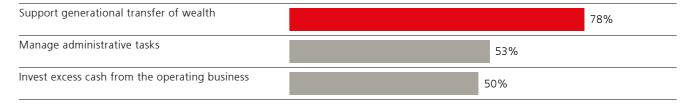
Strategies to hedge against risk within investment portfolio



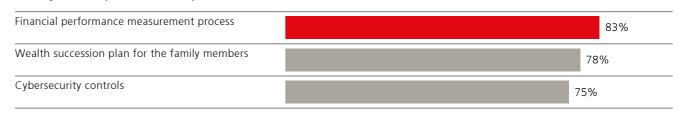
Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities



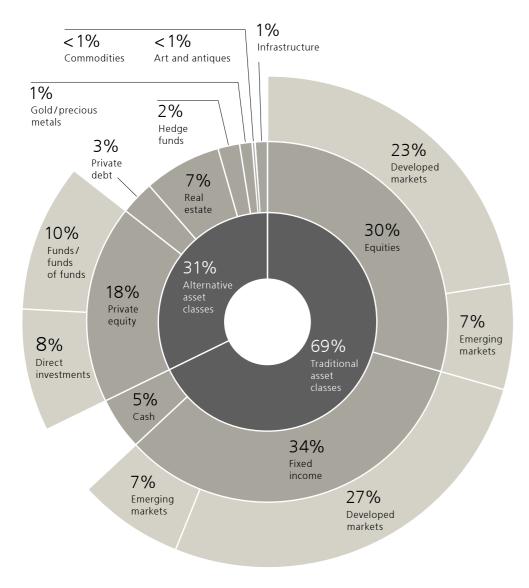
Family office processes in place



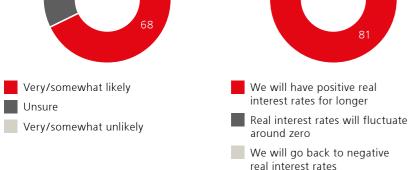
Global Family Office Report 2024 Global Family Office Report 2024 65

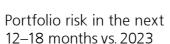
Latin America

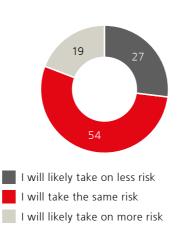
Strategic asset allocation 2023



Likelihood to invest in AI in the next 2–3 years Interest rate trend in the current investment cycle



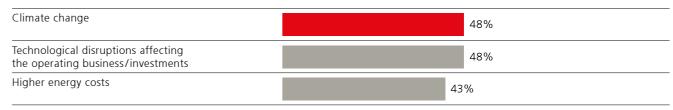




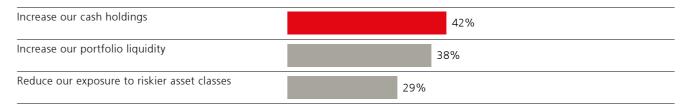
Top risks over the next 12 months



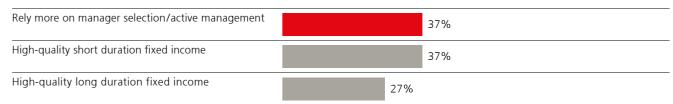
Top risks over the next five years



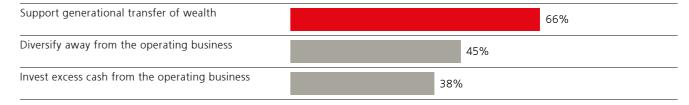
Strategies to hedge against risk within investment portfolio



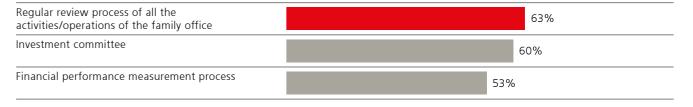
Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities

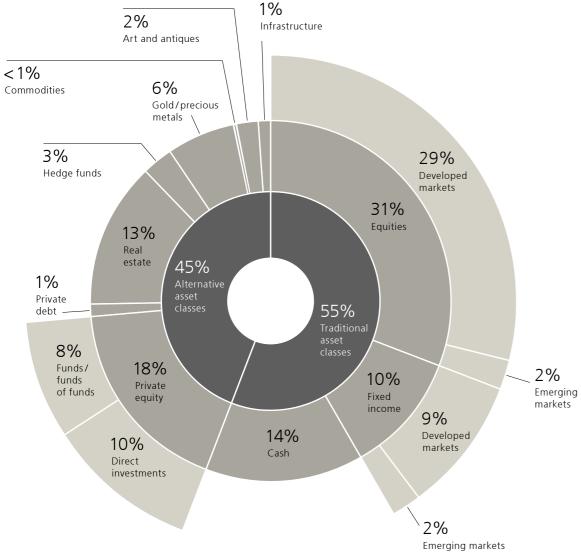


Family office processes in place



Switzerland

Strategic asset allocation 2023

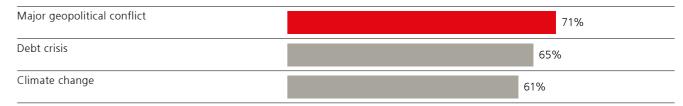


Likelihood to invest in Al Interest rate trend in the Portfolio risk in the next in the next 2–3 years 12-18 months vs. 2023 current investment cycle Very/somewhat likely We will have positive real I will likely take on less risk interest rates for longer Unsure I will take the same risk Real interest rates will fluctuate I will likely take on more risk Very/somewhat unlikely around zero We will go back to negative real interest rates

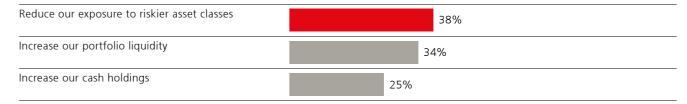
Top risks over the next 12 months



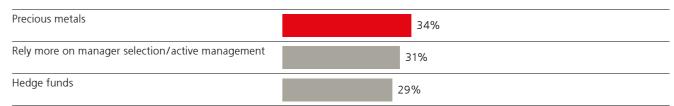
Top risks over the next five years



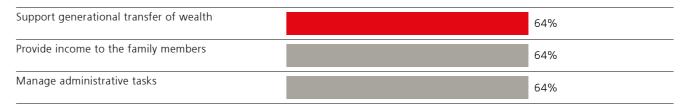
Strategies to hedge against risk within investment portfolio



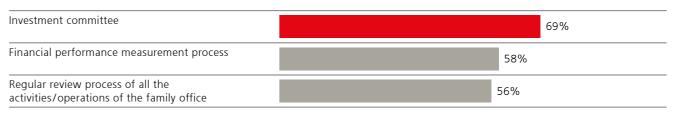
Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities

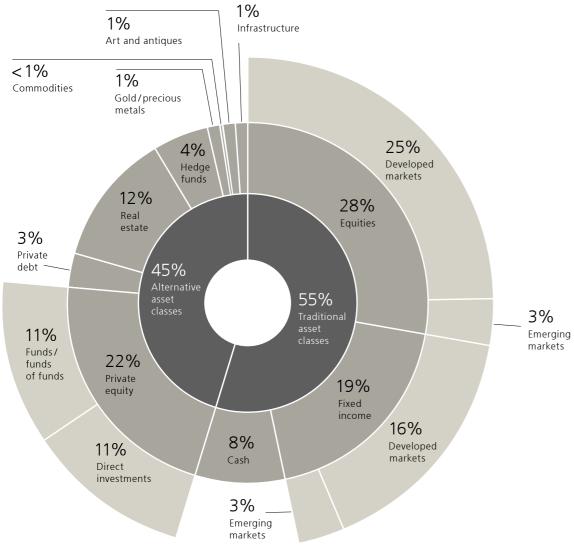


Family office processes in place



Europe

Strategic asset allocation 2023



Likelihood to invest in Al Interest rate trend in the Portfolio risk in the next in the next 2–3 years 12-18 months vs. 2023 current investment cycle Very/somewhat likely We will have positive real I will likely take on less risk interest rates for longer Unsure I will take the same risk Real interest rates will fluctuate I will likely take on more risk Very/somewhat unlikely around zero We will go back to negative real interest rates





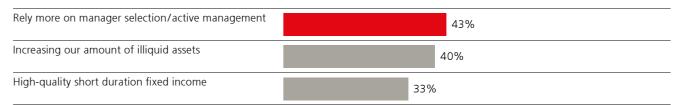
Top risks over the next five years



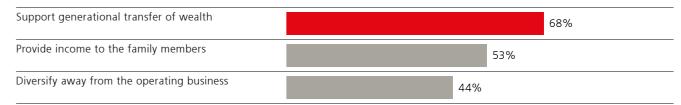
Strategies to hedge against risk within investment portfolio



Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities

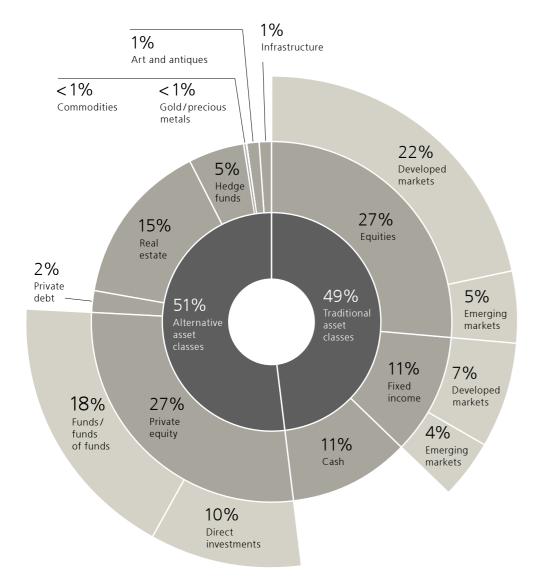


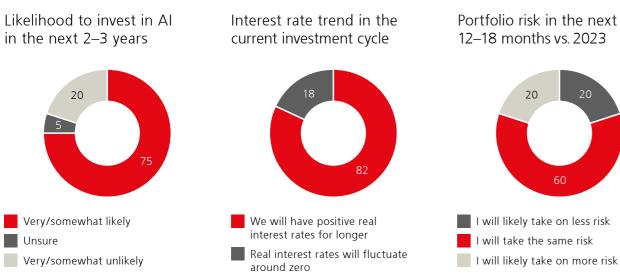
Family office processes in place



Middle East

Strategic asset allocation 2023

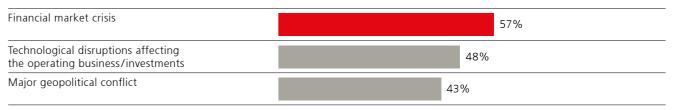




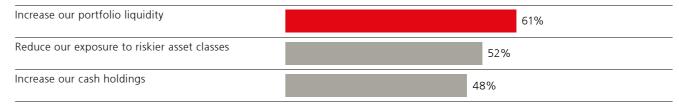
Top risks over the next 12 months



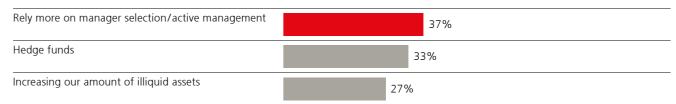
Top risks over the next five years



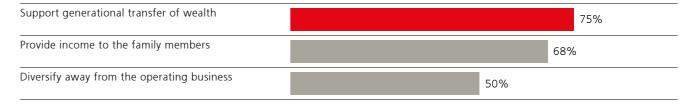
Strategies to hedge against risk within investment portfolio



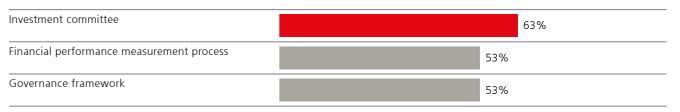
Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities

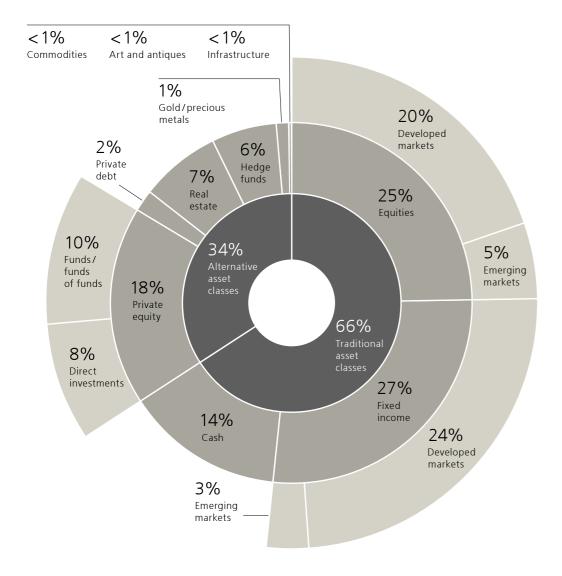


Family office processes in place

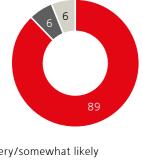


North Asia

Strategic asset allocation 2023

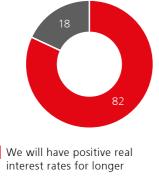


Likelihood to invest in Al in the next 2–3 years



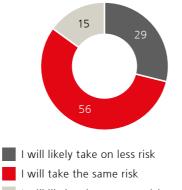


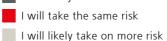
Interest rate trend in the current investment cycle



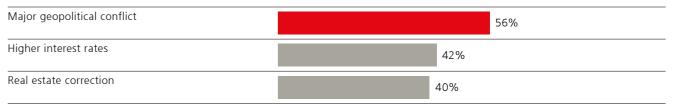
We will have positive real Real interest rates will fluctuate around zero

Portfolio risk in the next 12-18 months vs. 2023

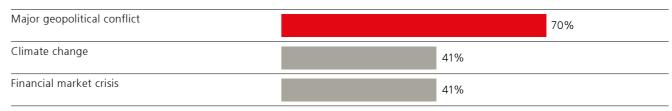




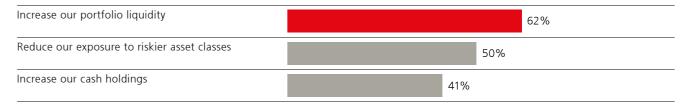
Top risks over the next 12 months



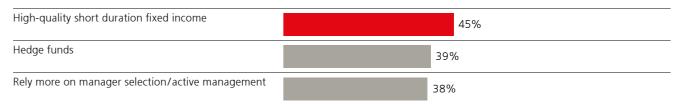
Top risks over the next five years



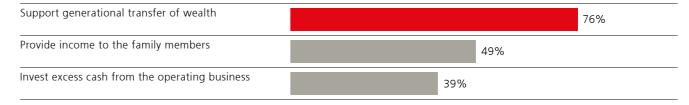
Strategies to hedge against risk within investment portfolio



Strategies to enhance portfolio diversification



Main purposes of the family office's assets and activities



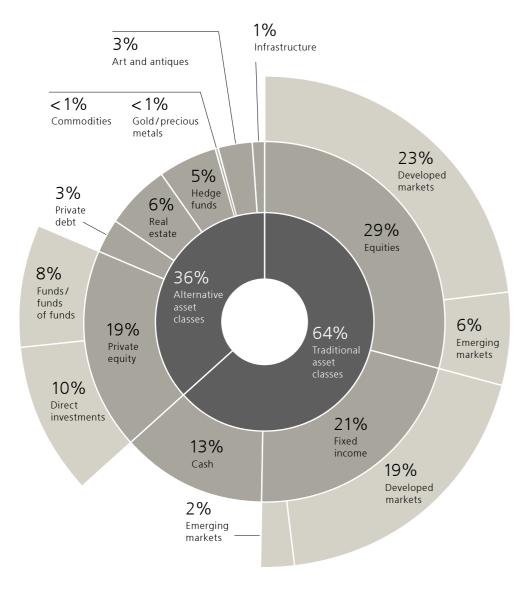
Family office processes in place



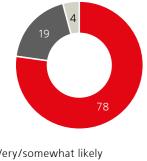
74 Global Family Office Report 2024 Global Family Office Report 2024 75

Southeast Asia

Strategic asset allocation 2023



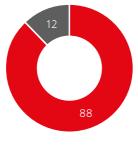
Likelihood to invest in Al in the next 2–3 years



Very/somewhat likely Unsure

Very/somewhat unlikely

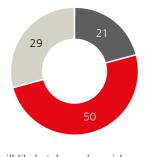
Interest rate trend in the current investment cycle

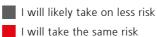


We will have positive real interest rates for longer

Real interest rates will fluctuate around zero

Portfolio risk in the next 12–18 months vs. 2023





I will likely take on more risk

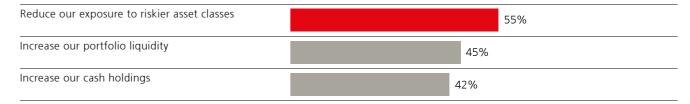
Top risks over the next 12 months



Top risks over the next five years



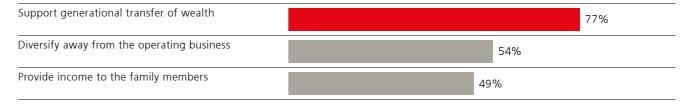
Strategies to hedge against risk within investment portfolio



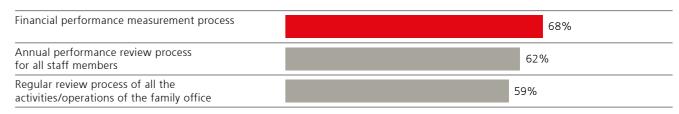
Strategies to enhance portfolio diversification



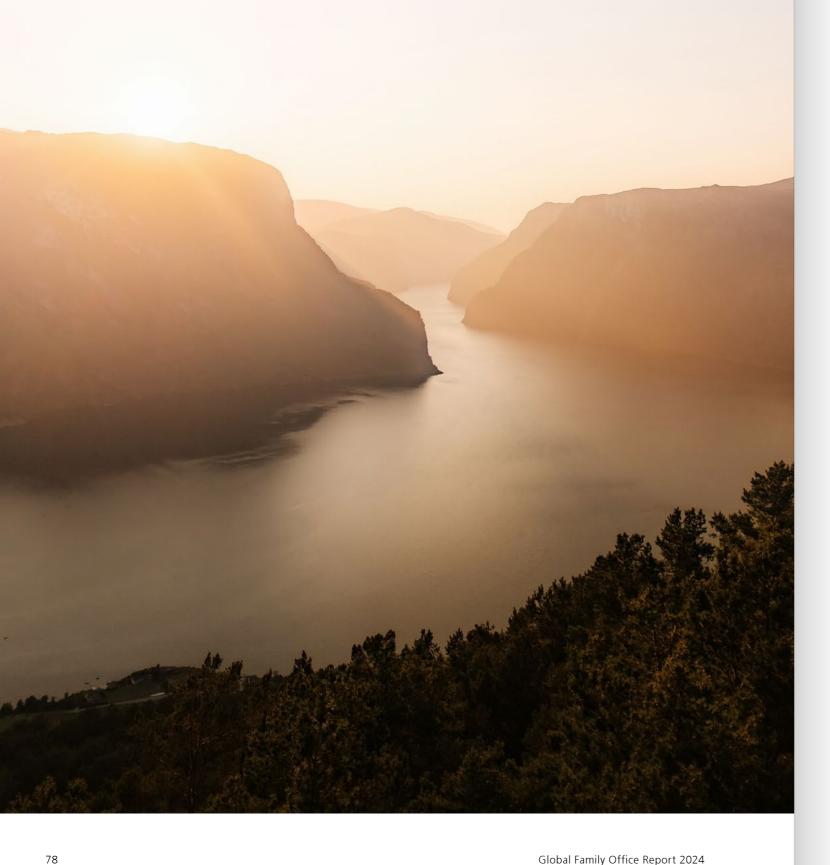
Main purposes of the family office's assets and activities



Family office processes in place



Some facts about our report



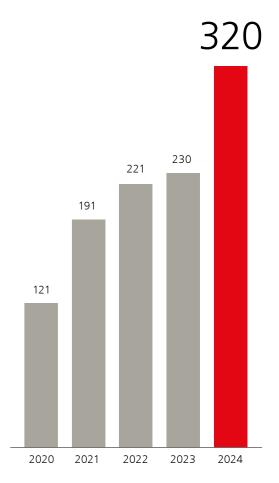
Net worth averaging USD 2.6 billion

The Global Family Office Report 2024 is the fifth of our annual surveys on the activities of family offices researched and written in-house. The number of family offices responding to our survey has increased to 320, up from 230 last year.

The average net worth of participating families is USD 2.6 billion. On average, their family offices manage USD 1.3 billion.

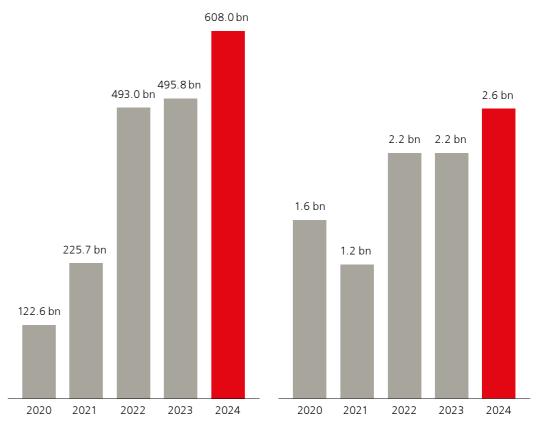
Total wealth is calculated based on number of clients who answered this question.

320 family offices globally Sample size year-over-year



79

Wealth covered reaches new heights Total net worth of founding family



Total wealth in survey reaches USD 608.0 bn

Average total net worth reaches USD 2.6 bn

Global Family Office Report 2024

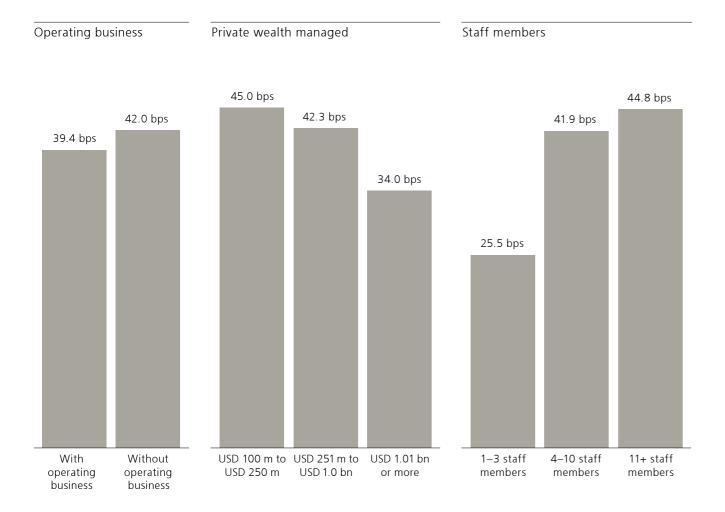
Generational split

Most of the family offices serve the first and second generations. Fifty-two percent serve the first generation and 59% the second.

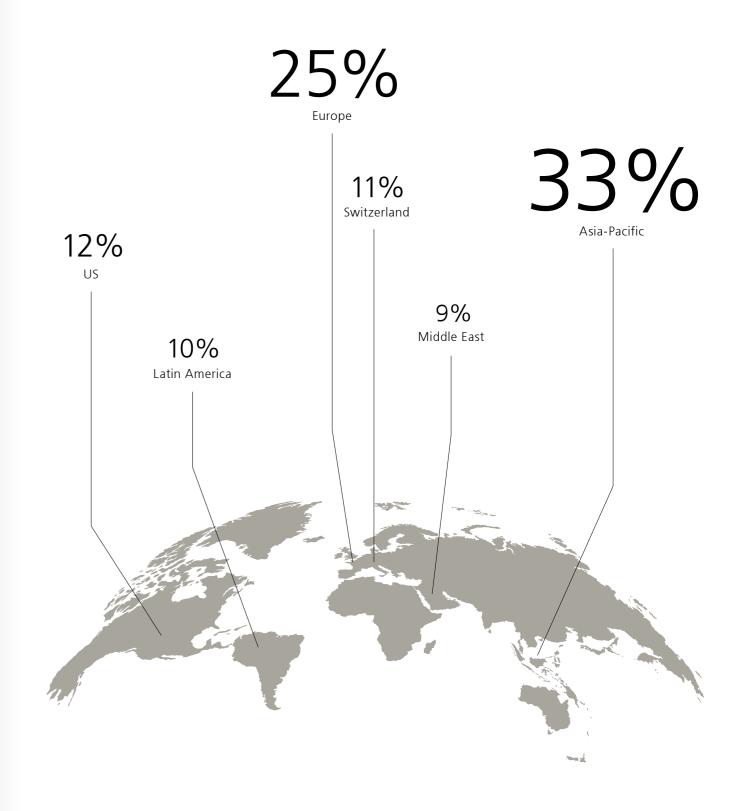
Operating businesses

More than three quarters (77%) of family offices have an active operating business. The most common sector of the main operating business is real estate (13%) followed by banks/financial services (9%), consumer goods (7%) and retailing (6%).

Operating business, private wealth managed and staff members have an impact on costs Pure cost projections of operating the family office in 2024







Global Family Office Report 2024 Global Family Office Report 2024 S1

Methodology

This marks the fifth iteration of the Global Family Office survey. UBS surveyed 320 of its clients between 18 January and 22 March 2024. Participants from across more than 30 countries worldwide were invited using an online methodology. The sample size is significantly larger than in prior years

Due to rounding, numbers presented throughout this report may not add up precisely to the related totals provided.

UBS Evidence Lab

UBS Evidence Lab is a team of alternative data experts who work across numerous specialized areas creating insight-ready datasets. The experts turn data into evidence by applying a combination of tools and techniques to harvest, cleanse, and connect billions of data items each month. The library of assets, covering thousands of companies of all sizes, across all sectors and regions, is designed to help investors answer the questions that matter to their investment analysis.

Managing wealth is our craft

Looking after wealth demands time, dedication and passion. With UBS, you'll benefit from our decades of experience helping family offices pursue what matters to them most.

We understand the unique needs of family offices and we craft personalized financial solutions that help them protect and grow their investments, powered by insights from our award-winning Chief Investment Office.

As a leading and truly global wealth manager, present in every major market, we can connect our clients with their peers, and leaders and experts who can inspire and empower them to achieve their ambitions.

And we're uniquely placed to draw on our knowledge and experience to give our clients unmatched intelligence to inform their financial decisions.

From our Global Family Office Report and Billionaire Ambitions Reports to our Global Wealth Report, we provide deep insights into the trends that promise to have a significant impact on the changing world of wealth.

Helping our clients make the most of their lives by taking care of their wealth and investments. That's what wealth management means to us. Because, at UBS, wealth management isn't just one thing we do. It's who we are.

Find out more about our solutions for family offices at: ubs.com/family-office-uhnw

Research team: Stephanie Perryfrost, UBS Evidence Lab Gabriele Schmidt, UBS Global Wealth Management

Editor:

Rupert Bruce, Clerkenwell Consultancy

Acknowledgements:
Kaspar Grathwohl
Aline Haerri
Peter Jacober
Urs Kaeser
Maximilian Kunkel
Chrissie Loedolff
Annegret-Kerstin Meier
Eric Schatz
Jan van Bueren
Christiaan van Driel
Michael Viana

Design: Bureau Collective Photography:

Cover: Max Rive, p. 4: Dario Viegas, p. 6 (from left): Noem (Unsplash), Dan Grinwis (Unsplash), Xi Chen, p. 7 (from left): Kirill (Unsplash), Luke Stackpoole, Stocksy, p. 8: Bernardo Lorena Ponte (Unsplash), p. 13: Daniel J. Schwarz (Unsplash), p. 18: Note Thanun (Unsplash), p. 21: Stocksy, p. 23: Westend61, p. 24: Marina Weishaupt, p. 27: Stocksy, p. 32: Jasper Garratt (Unsplash), p. 37: Gigi (Unsplash). P. 38: Fran Silvestre Arquitectos, p. 40/41: Massimiliano Donghi (Unsplash), p. 42: Adrian Cuj, p. 44: Sjoerd Bracké, p. 47: Isaac Matthew (Unsplash), p. 48: Drew Hays (Unsplash), p. 50: Torben Eskerod, p. 55: Daniel J. Schwarz (Unsplash), p. 56: Semina Psichogiopoulou (Unsplash), p. 58: Stocksy, p. 61: Alexander Psiuk (Unsplash), p. 62/63: Brady Stöltzing (Unsplash), p. 78: Daniel J. Schwarz (Unsplash)

For media inquiries: mediarelations@ubs.com

EMEA: +41-44-234 85 00 Americas: +1-212-882 58 58 APAC: +852-297-1 82 00

This document has been prepared by UBS Group AG, its subsidiary or affiliate ("UBS").

This document and the information contained herein are provided solely for information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. The document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any interest in any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS. UBS is under no obligation to update or keep current the information contained herein.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only, in support of subject analysis and research. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties.

Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS nor any of its directors, officers, employees or agents accept or assume any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it

Important information in the event this document is distributed to US Persons or into the United States Wealth Management Services in the United States are provided by UBS Financial Services Inc., which is registered with the U.S. Securities and Exchange Commission as a broker-dealer and investment advisor, and offering securities, trading, brokerage and related products and services. As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment advisor and brokerage services in its capacity as an SEC-registered broker-dealer Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary. UBS Financial Services Inc. is a subsidiary of UBS Group AG. Member FINRA/SIPC

Important information in the event this document is distributed by the following domestic businesses (which have separate local entities to that of the location that prepared the material)

Bahrain UBS is a Swiss bank not licensed, supervised or regulated in Bahrain by the Central Bank of Bahrain and does not undertake banking or investment business activities in Bahrain. Therefore, Clients have no protection under local banking and investment services laws and regulations.

Brazil This publication is not intended to constitute a public offer under Brazilian law or a research analysis report as per the definition contained under the Comissão de Valores

Mobiliários ("CVM") Instruction 598/2018. It is distributed only for information purposes by UBS Brasil Administradora de Valores Mobiliários Ltda. and/or of UBS Consenso Investimentos Ltda., entities regulated by CVM.

Canada In Canada, this publication is distributed by UBS Investment Management Canada Inc. (UBS Wealth Management Canada). UBS Wealth Management is a registered trademark of UBS AG. UBS Bank (Canada) is a subsidiary of UBS AG. Investment advisory and portfolio managemen services are provided through UBS Investment Management Canada Inc., a wholly-owned subsidiary of UBS Bank (Canada). UBS Investment Management Canada Inc. is a registered portfolio manager and exempt market dealer in all the provinces with the exception of P.F.I. and the territories. All information and opinions as well as any figures indicated during the event are subject to change without notice. A any time UBS AG ("UBS") and other companies in the UBS group (or employees thereof) may have a long or short position, or deal as principal or agent, in relevant securities or provide advisory or other services to the issuer of relevant securities or to a company connected with an issuer. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. Past performance of investments is not a guarantee of future results and the value of investments may fluctuate over time. For clients and prospective clients of UBS Bank (Canada) and UBS Investment Management Canada Inc., please note that this event has no regard to the specific investment objectives, financial situation o particular needs of any recipient. Neither UBS Bank (Canada) nor UBS Investment Management Canada Inc. is acting as an advisor or fiduciary to or for any participant in thi event unless otherwise agreed in writing. Not all products or services may be available at UBS Bank (Canada). Some products and services may be legally restricted for residents of certain countries. For more information on our products and services, visit https://www.ubs.com/ca/en/wealth_management/planning life.html. UBS does not provide tax or legal advice and you should consult your own independent advisors for specific advice based on your specific circumstances before entering into or refraining from entering into any investment. You agree that you have provided your express consent to receive commercial electronic message: from UBS Bank (Canada), and any other UBS entity within the UBS global group of companies, with respect to this and other similar UBS events and to receipt of information or UBS products and services. You acknowledge and understand that this consent to electronic correspondence may be withdrawn by you at any time. For further information regarding how you may unsubscribe your consent, please contact your UBS Advisor or UBS Bank (Canada) directly at 1-800-268-9709 or https://www.ubs.com/ca/en/wealth_ management/your_relationship/how_to_get/wealth_man agement.html. This document may not be reproduced or copies circulated without prior written authorization

Czech Republic UBS is not a licensed bank in Czech Republic and thus is not allowed to provide regulated banking or investment services in Czech Republic. This communication and/or material is distributed for marketing purposes and constitutes a "Commercial Message" under the laws of Czech Republic in relation to banking and/or investment services. Please notify UBS if you do not wish to receive any further correspondence

Denmark This publication is not intended to constitute a public offer under Danish law. It is distributed only for information purposes by UBS Europe SE, filial af UBS Europe SE with place of business at Sankt Annae Plads 13, 1250 Copenhagen, Denmark, registered with the Danish Commerce and Companies Agency, under No. 38 17 24 33. UBS Europe SE, filial af UBS Europe SE is a branch of UBS Europe SE, a credit institution constituted under German law in the form of a Societas Europaea which is authorized by the German Federal Financial Supervisory Authority (Bundesan stalt für Finanzdienstleistungsaufsicht, BaFin), and is subjec to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank) and the Ba-Fin. UBS Europe SE, filial af UBS Europe SE is furthermore supervised by the Danish Financial Supervisory Authority (Finanstilsynet), to which this publication has not been sub mitted for approval.

France This publication is not intended to constitute a public offer under French law. It is distributed only for information purposes by UBS (France) S.A. UBS (France) S.A. is a French "société anonyme" with share capital of € 132.975.556, 69, boulevard Haussmann F-75008 Paris, R.C.S. Paris B 421 255 670. UBS (France) S.A. is a provider of investment services duly authorized according to the terms of the "Code monétaire et financier", regulated by French banking and financial authorities as the "Autorité de contrôle prudentiel et de résolution."

Germany This publication is not intended to constitute a public offer under German law. It is distributed only for information purposes by UBS Europe SE, Germany, with place of business at Bockenheimer Landstrasse 2–4, 60306 Frank-

furt am Main. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by the European Central Bank ("ECB"), and supervised by the ECB, the German Central Bank (Deutsche Bundesbank) and the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), to which this publication has not been submitted for approval.

Greece UBS AG and its subsidiaries and affiliates (UBS) are premier global financial services firms offering wealth management services to individual, corporate and institutional investors. UBS AG and UBS Switzerland AG are established in Switzerland and operate under Swiss law. UBS AG operates in over 50 countries and from all major financial centers. UBS is not licensed as a bank or financial institution under Greek legislation and does not provide banking and financial services in Greece. Consequently, UBS provides such services from branches outside of Greece, only.

Hong Kong This publication is distributed by UBS AG Hong Kong Branch. UBS AG Hong Kong Branch is incorporated in Switzerland with limited liability.

Indonesia, Malaysia, Philippines, Thailand, Singapore This communication and any offering material term sheet research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Shoud you have received the Material erroneously. UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved or endorsed by any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or products or futures contracts). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Israel UBS is a premier global financial firm offering wealth management, asset management and investment banking services from its headquarters in Switzerland and its operations in over 50 countries worldwide to individual, corporate and institutional investors. In Israel LIBS Switzerland. AG is registered as Foreign Dealer in cooperation with UBS Wealth Management Israel Ltd., a wholly owned UBS subsidiary. UBS Wealth Management Israel Ltd. is a Portfolio Manager licensee which engages also in Investment Marketing and is regulated by the Israel Securities Authority. This publication is intended for information only and is not intended as an offer to buy or a solicitation of an offer. Furthermore, this publication is not intended as an investment advice and/or investment marketing and is not replace ing any investment advice and/or investment marketing provided by the relevant licensee which is adjusted to each person's needs. Kindly note that certain products and services are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis.

Italy This publication is not intended to constitute a public offer under Italian law. It is distributed only for information purposes by UBS Europe SE, Succursale Italia, with place of business at Via del Vecchio Politecnico, 3-20121 Milano. UBS Europe SE, Succursale Italia is subject to the joint supervision of the European Central Bank ("ECB"), the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), as well as of the Bank of Italy (Banca d'Italia) and the Italian Financial Markets Supervisory Authority (CONSOB – Commissione Nazionale per le Società e la Borsa), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by the ECB.

Jersey UBS AG, Jersey Branch, is regulated and authorized by the Jersey Financial Services Commission for the conduct of banking, funds and investment business. Where services are provided from outside Jersey, they will not be covered by the Jersey regulatory regime or the Depositors Compensation Scheme. UBS AG, Jersey Branch is a branch of UBS AG, a public company limited by shares, incorporated in Switzerland whose registered offices are at Aeschenvorstadt 1, CH-4051 Basel, and Bahnhofstrasse 45, CH-8001 Zurich. UBS AG, Jersey Branch's principal place of business is 1, IFC Jersey, St Helier, Jersey, JE2 3BX.

Luxembourg This publication is not intended to constitute a public offer under Luxembourg law. It is distributed only for information purposes by UBS Europe SE. Luxembourg Branch ("UBS"), R.C.S. Luxembourg n° B209123, with registered office at 33A, Avenue J. F. Kennedy, L-1855 Luxem hourg LIBS is a branch of LIBS Europe SE, a credit institution constituted under German law in the form of a Societas Europaea (HRB n° 107046), with registered office at Bock enheimer Landstrasse 2–4, D-60306 Frankfurt am Main, Germany, duly authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") and subject to the joint prudential supervision of BaEin the central bank of Germany (Deutsche Bundesbank) and the European Central Bank. UBS is furthermore supervised by the Luxembourg prudential supervisory authority (Commission de Surveillance du Secteur Financier), in its role as host member state authority. This publication has not been submitted for approval to any public supervisory authority.

Mexico UBS Asesores México, S.A. de C.V ("UBS Asesores"), an affiliate of UBS Switzerland AG, incorporated as a non-independent investment advisor under the Securities Market Law, due to the relation with a Foreign Bank. UBS Asesores was incorporated under the Securities Market Law. UBS Asesores is a regulated entity and it is subject to the supervision of the Mexican Banking and Securities Commis sion (Comisión Nacional Bancaria y de Valores, "CNBV") which exclusively regulates UBS Asesores regarding the rendering of portfolio management services when investment decisions are taken on behalf of the client, as well as on securities investment advisory services, analysis and issuance of individual investment recommendations, so that the CNBV has no surveillance facilities nor may have over any other service provided by UBS Asesores. UBS Asesores s registered before the CNBV under Registry number 30060. Such registry will not assure the accuracy or veracity of the information provided to its clients. UBS Asesores is not part of any Mexican financial group, is not a bank and does not receive deposits or hold securities. UBS Asesores does not offer guaranteed returns. UBS Asesores has revealed any conflict of interest that could have before. UBS Asesores does advertise any banking services and can only charge the commissions expressly agreed with their clients for the investment services actually rendered, UBS Asesores receives commissions from issuers or local or foreign financial intermediaries that provide services to its clients. You are being provided with this UBS publication or material because you have indicated to UBS Asesores that you are a Sophisticated Qualified Investor located in Mexico.

Monaco This document is not intended to constitute a public offering or a comparable solicitation under the Principality of Monaco laws, but might be made available for information purposes to clients of UBS (Monaco) SA, a regulated bank which has its registered office at 2, avenue de Grande Bretagne, 98000-Monaco under the supervision of the "Autorité de Contrôle Prudentiel et de Résolution" (ACPR) for banking activities and under the supervision of "Commission de Contrôle des Activités Financières for financial activities." The latter has not approved this publication.

Nigeria UBS AG and its branches and subsidiaries (UBS) are not licensed, supervised or regulated in Nigeria by the Central Bank of Nigeria (CBN) or the Nigerian Securities and Exchange Commission (SEC) and do not undertake banking or investment business activities in Nigeria.

Panama UBS AG Oficina de Representación es regulada y supervisada por la Superintendencia de Bancos de Panamá. Licencia para operar como Oficina de Representación Resolución S.B.P. No 017-2007. UBS Switzerland AG Oficina de Representación es regulada y supervisada por la Superintendencia de Bancos de Panamá. Licencia para operar como Oficina de Representación Resolución S.B.P. No. 0178-2015.

Portugal UBS is not licensed to conduct banking and financial activities in Portugal nor is UBS supervised by the Portuguese Regulators (Bank of Portugal "Banco de Portugal" and Portuguese Securities Exchange Commission "Comissão do Mercado de Valores Mobiliários").

Russia UBS Switzerland AG is not licensed to provide regulated banking and/or financial services in Russia. Information contained in this document refers to products and services exclusively available through and provided by UBS Switzerland AG in Switzerland or another UBS entity domiciled outside Russia. UBS employees travelling to Russia are neither authorized to conclude contracts nor to negotiate terms thereof while in Russia. Contracts only become binding on UBS once confirmed in Switzerland or in the location where the UBS entity is domiciled. The Wealth Management Advisory Office within OOO UBS Bank does not provide services for which banking license is required in Russia. Certain financial instruments can be offered in Russia only to the qualified investors. Any attachments and documents

with reference to the specific financial instruments do not constitute a personal investment recommendation under Russian law.

Singapore This publication is distributed by UBS AG Singapore Branch. Clients of UBS AG Singapore branch are asked to please contact UBS AG Singapore branch, an exempt financial advisor under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from. or in connection with the analysis or report.

Spain This publication is not intended to constitute a public offer under Spanish law. It is distributed only for information purposes by UBS Europe SE, Sucursal en España with place of business at Calle María de Molina 4, C.P. 28006, Madrid. UBS Europe SE, Sucursal en España is subject to the joint supervision of the European Central Bank ("ECB"), the German Central bank (Deutsche Bundesbank) the German Federal Financial Services Supervisory Author ity (Bundesanstalt für Einanzdienstleistungsaufsicht), as well as of the Spanish supervisory authority (Banco de España), to which this publication has not been submitted for ap proval. Additionally it is authorized to provide investment services on securities and financial instruments, regarding which it is supervised by the Comisión Nacional del Mercado de Valores as well. UBS Europe SE, Sucursal en España is a branch of UBS Europe SE, a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by the ECB.

Sweden This publication is not intended to constitute a public offer under Swedish law. It is distributed only for information purposes by UBS Europe SE. Sweden Bankfilial with place of business at Regeringsgatan 38, 11153 Stockholm, Sweden, registered with the Swedish Companies Registration Office under Reg. No 516406-1011. UBS Europe SE. Sweden Bankfilial is a branch of UBS Europe SE. a credit institution constituted under German law in the form of a Societas Europaea which is authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin), and is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank) and the BaFin. UBS Furope SE. Sweden Bankfilial is furthermore supervised by the Swedish supervisory authority (Finansinspektionen), to which this publication has not been submitted for approva

Taiwan This material is provided by UBS AG, Taipei Branch in accordance with laws of Taiwan, in agreement with or at the request of clients/prospects.

UK This document is issued by UBS Wealth Management, a division of UBS AG which is authorized and regulated by the Financial Market Supervisory Authority in Switzerland. In the United Kingdom, UBS AG is authorized by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of regulation by the Prudential Regulation Authority are available from us on request.

UAE/DIFC UBS is not licensed in the UAE by the Central Bank of UAE or by the Securities & Commodities Authority. The UBS AG Dubai Branch is licensed in the DIFC by the Dubai Financial Services Authority as an authorized firm.

Ukraine UBS is a premier global financial services firm offering wealth management services to individual, corporate and institutional investors. UBS is established in Switzerland and operates under Swiss law and in over 50 countries and from all major financial centers. UBS is not registered and licensed as a bank/financial institution under Ukrainian legislation and does not provide banking and other financial services in Ukraine. UBS has not made, and will not make any offer of the mentioned products to the public in Ukraine. No action has been taken to authorize an offer of the mentioned products to the public in Ukraine and the distribution of this document shall not constitute financial services for the purposes of the Law of Ukraine "On Financial Services and State Regulation of Financial Services Markets" dated 12 July 2001. Any offer of the mentioned products shall not constitute public offer circulation, transfer safekeeping, holding or custody of securities in the territory of Ukraine. Accordingly, nothing in this document or any ther document, information or communication related to the mentioned products shall be interpreted as containing an offer, a public offer or invitation to offer or to a public offer, or solicitation of securities in the territory of Ukraine Electronic communication must not be considered as an offer to enter into an electronic agreement or other electronic instrument ("електронний правочин") within the meaning of the Law of Ukraine "On Flectronic Commerce" dated 3 September 2015. This document is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed.

© UBS 2024. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.