



(UBS)

What does the AI hype mean for family offices?

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With AI taking the world by storm, how can family offices best position themselves?

While the S&P 500 has hit record highs in 2024, most of the performance has been driven by a select few companies that are investing in artificial intelligence (AI). For instance, NVIDIA, a top investor in the space, accounts for roughly 5.0 p.p. of the S&P's rally this year—please see: [The market rally has been narrow—will this change?](#) As AI continues to become more advanced, family offices can prepare to use it to their advantage.

Family offices should be aware of the impact and influence that AI is having on the world. To capitalize on this, our most recent [UBS Family Office Quarterly](#) publication highlights how family offices can use AI to help take temporality out of managing portfolios for faster reaction times, while also meeting the scale of signals that need to be processed. AI will also enable family offices to be more efficient with their time by analyzing large amounts of data.

Family offices are likely considering whether they should put their own capital toward AI. The UBS Chief Investment Office believes investors can seize the AI opportunity by having long-term exposure to the sector, investing in the enabling layer, positioning in megacaps, and broadening their focus outside of the U.S. to international companies that will also benefit from AI. To breakdown the AI value chain, CIO has identified three layers: enabling, intelligence, and application.

While AI can be intimidating, as many unknowns still exist, family offices can implement it into their business practices to stay competitive. The [UBS Family Office Quarterly](#) discusses using AI selectivity according to specific needs and workflows. Using selective implementation will help family offices address security risks, identify where to implement AI for the most positive impact, and recognize which processes tend to disrupt the workflow of the business.

Family offices have their own unique complexities, To read more leading-edge insights visit our [UBS Family Office Quarterly website and subscribe to receive upcoming editions.](#)

Main contributor: Tayte Irvine, UBS GTP, Wealth Management

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