

FOX WEBCAST | January 18, 2023

A New Era in Family Wealth: The Rise of Human Capital



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of Membership

FOX Member Community Today

FOX is a global learning and networking community of enterprise families and their key advisors.

ABOUT FOX					
1989 Founded in Chicago	25 Countries Represented	Offices in Chicago Madrid		24 Subject Matter Experts	51 Full-Time Employees

ABOUT FOX MEMBERS			
1,099 Wealth Owners from 336 Families	115 Advisor Organizations	~85% Membership Renewal Rate	2,857 Staff from 336 Family Offices

ABOUT FOX FAMILIES				
\$906 MM Median Investable Wealth of Members	61% Operate a Business	>50% are Engaged in Direct Investing	>95% Members Have Philanthropic Vehicle	72% are Led by G1 or G2



FOX Vision, Mission and Values

FOX Vision:

Fulfill the vast potential of family capital

FOX Mission:

Deliver the connections, knowledge, and resources that allow families to thrive across generations

FOX Values

Objectivity

Provide independent, objective, and unbiased knowledge, guidance and advice

Discretion

Safeguard member privacy and protect against unwelcome commercial targeting

Connections

Cultivate meaningful, life-long connections among likeminded peers on similar life journeys

Curation

Sift through the noise to deliver highly relevant and timely knowledge, data and insights

Learning

Foster a community of peer sharing, collective intelligence and continuous learning

Foresight

Foresee key trends, anticipate future developments and foster proactivity and preparedness

Agenda

- The New Era of Family Wealth has Arrived
- How Families are Beginning to Adapt
- How Will the Industry Respond
- Themes to Watch and Actions to Take in 2023

Persistent Trends Shaping the New Era

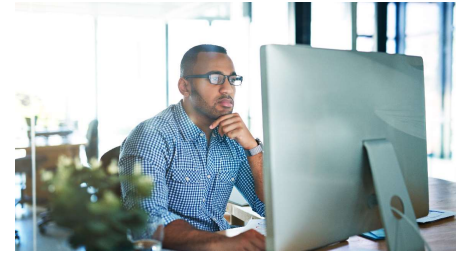
TRANSITIONS



TALENT



TECHNOLOGY



TIME



2022 Post-Pandemic Disruptions

WAR

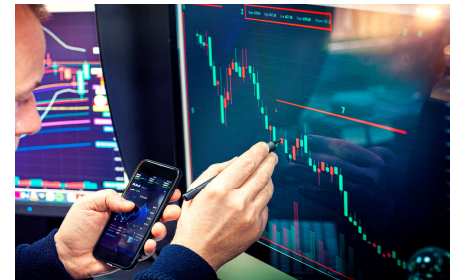


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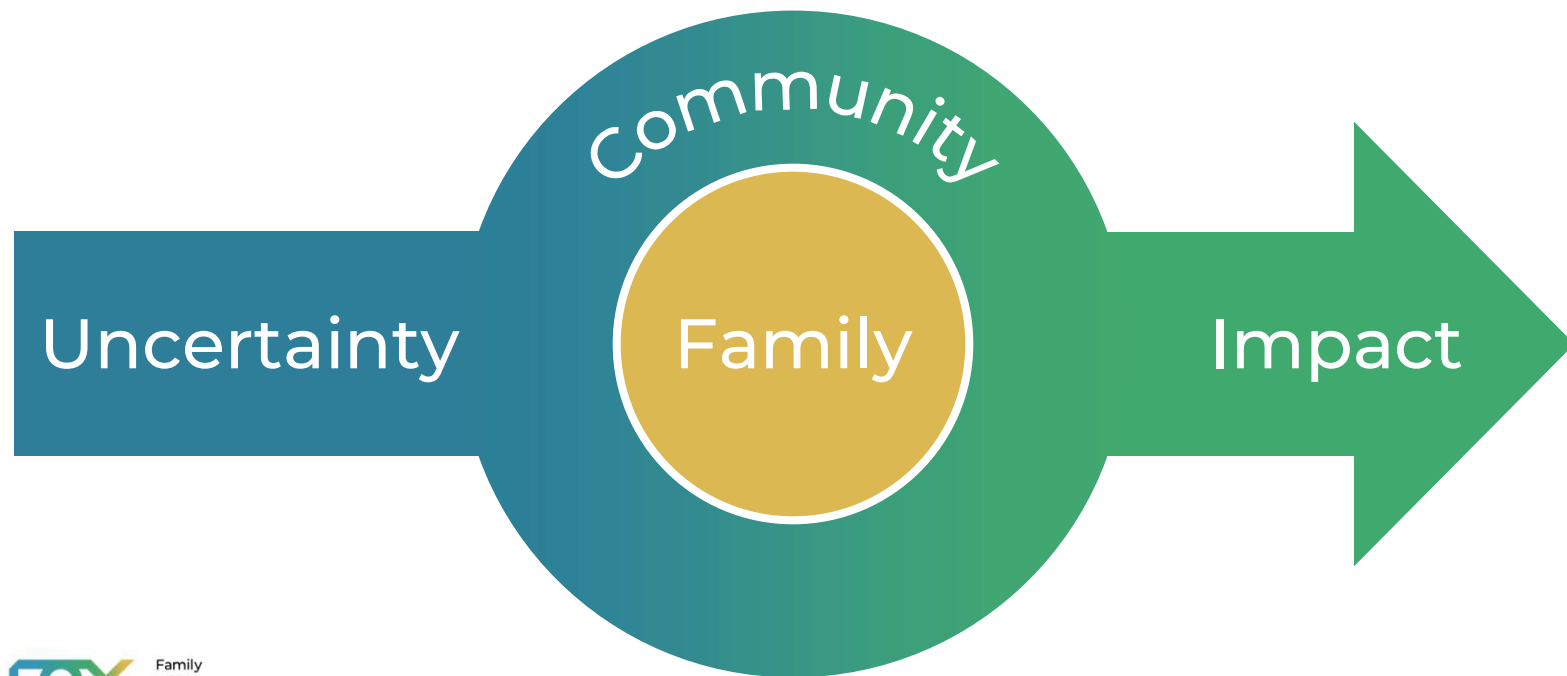
INFLATION



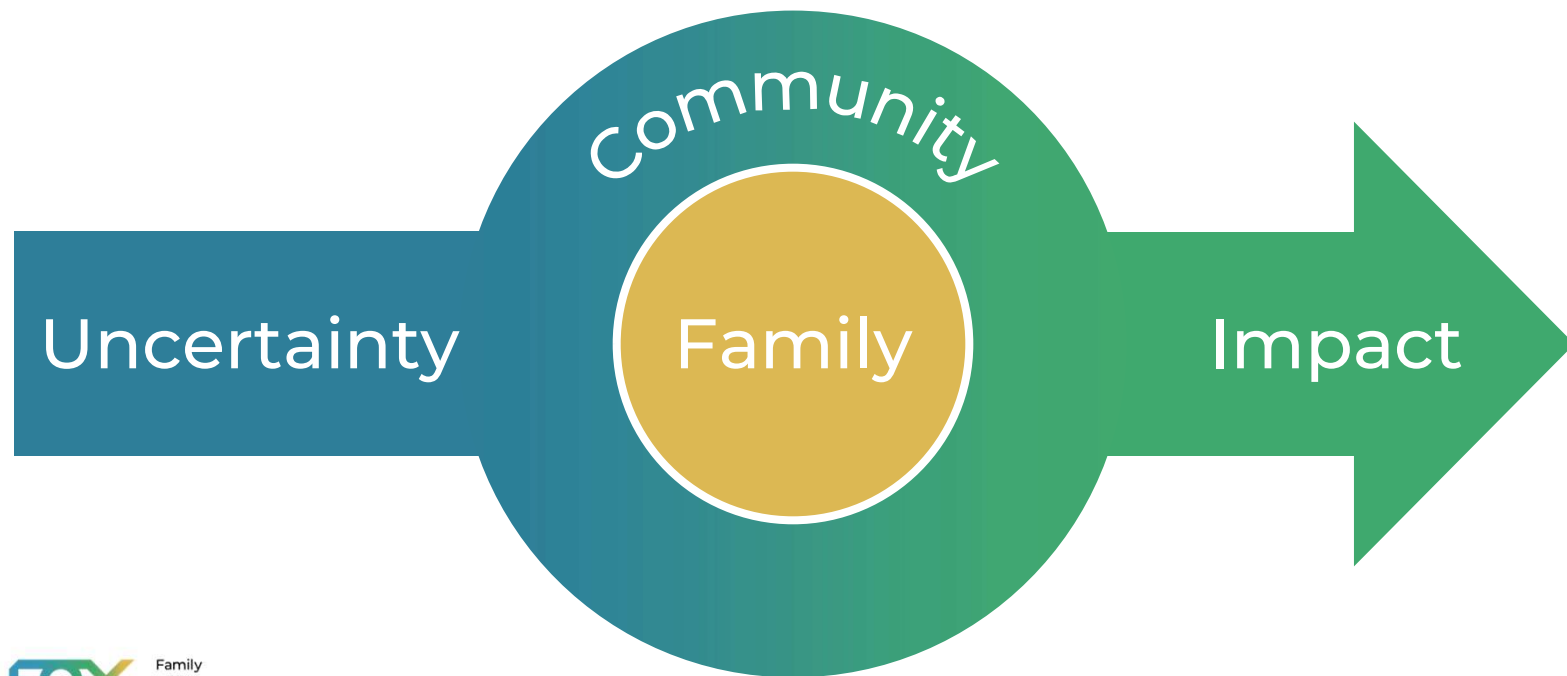
MARKETS



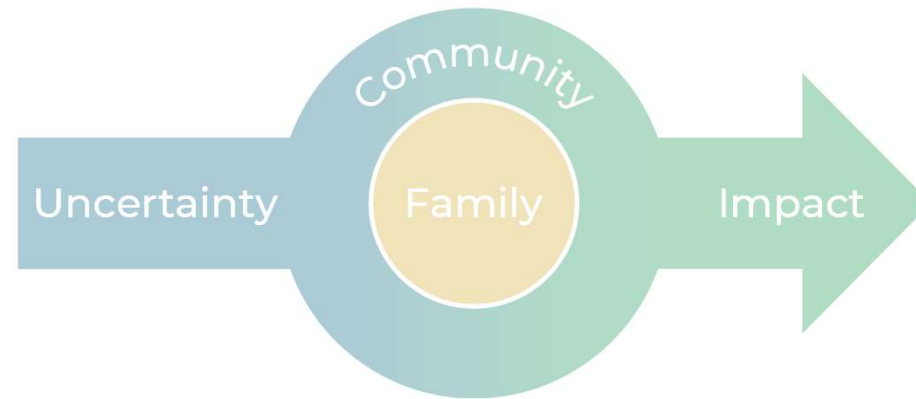
The Uncertainty to Impact Framework



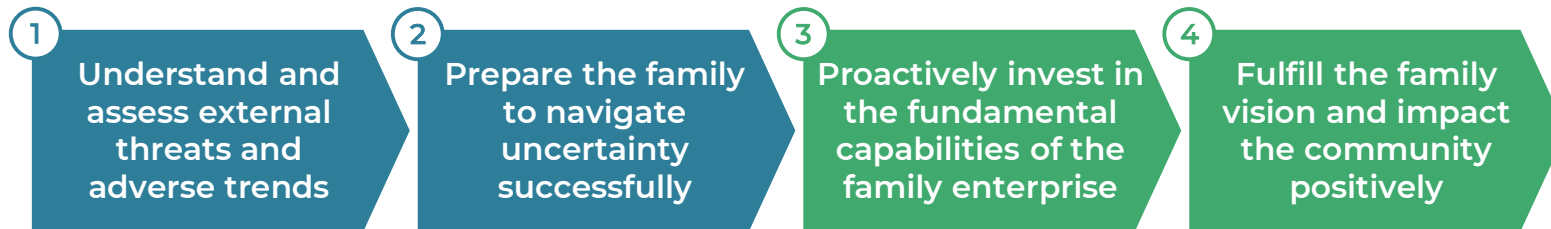
The Uncertainty to Impact Framework



The Uncertainty to Impact Journey



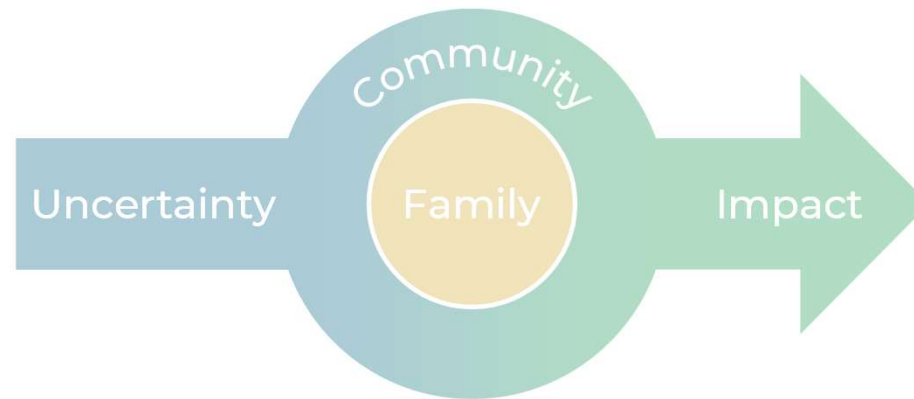
The Uncertainty to Impact Journey



Some Areas of Focus and Action for Families

- Inflation and supply chain dislocations
- Geopolitical threats and instability
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The Uncertainty to Impact Takeaways



- Focus on the Family and Its Relevant Community
- Move from Reactive Mitigation to Proactive Impact
- Invest in Human Capital Above All Else

From Purpose to Perspective: Listening to the Rising Generation

86%

Top Challenges for Rising Gen. The most common response.

52%

What is your number one goal with your family?
What would you like to focus on?

What are your top challenges?

“Our parents built this from the ground up so they just know what to do, inherently. As we're trying to figure out our next roles, I would really love some kind of roadmap and some very black and white explanation as to why things work the way they do and what to do and when to do it.”

From Purpose to Perspective: Input from the Family Office

85% Next gens confident about preparation for succession

39% Family offices believe rising gen are adequately prepared for succession

51% feel challenging family dynamics are the most challenging part of succession planning

40% feel a better understanding of their role post-succession would make them feel more prepared

33% of families have formal written succession plan

From Perspective to Practice: How Three FOX Families are Investing in Human Capital

Vignette 1: Children's Education Program

Step 1: Discovery	Step 2: Program Design	
OCTOBER Discovery meetings, research, trip to hometown	NOVEMBER Define 12-month program topics and learning concepts	DECEMBER Detailed development of January lesson
Step 3: Program Delivery		
JANUARY Family vision, mission, values	FEBRUARY Family business and history, part 1	MARCH Family business and history, part II
APRIL Share, save, spend, part I – money basics	MAY Share, save, spend, part II – focus on share	JUNE Share, save, spend, part III – focus on save
JULY Share, save, spend, part IV – spend	AUGUST Entrepreneurship basics	SEPTEMBER Personal leadership
OCTOBER Ownership and responsibility	NOVEMBER Gratitude, giving and receiving	DECEMBER End-of-year review and workbook reflections

Vignette 2: Rising Gen Retreat

What do you hope to get out of today? What do you want to learn?
What will success look like?

"Understand the SII"

"To learn and understand more about how to grow as an individual and as a team"

"Learning about a family coming together, working together, better communication, how to be successful"

"To learn about the family members in my generation and to work together to better our relationship and future as one"

"Building Trust among us. Family Unity"

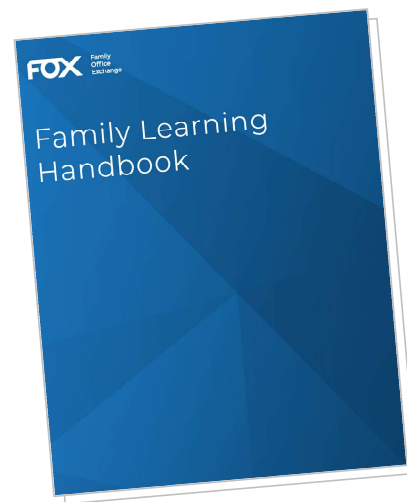
"Learn more about how to work together as a family and team"

"To learn all I can"

"Utilization of tools to improve self and collective"

"Just to learn how to improve myself as a person"

Vignette 3: Family Learning Program Design



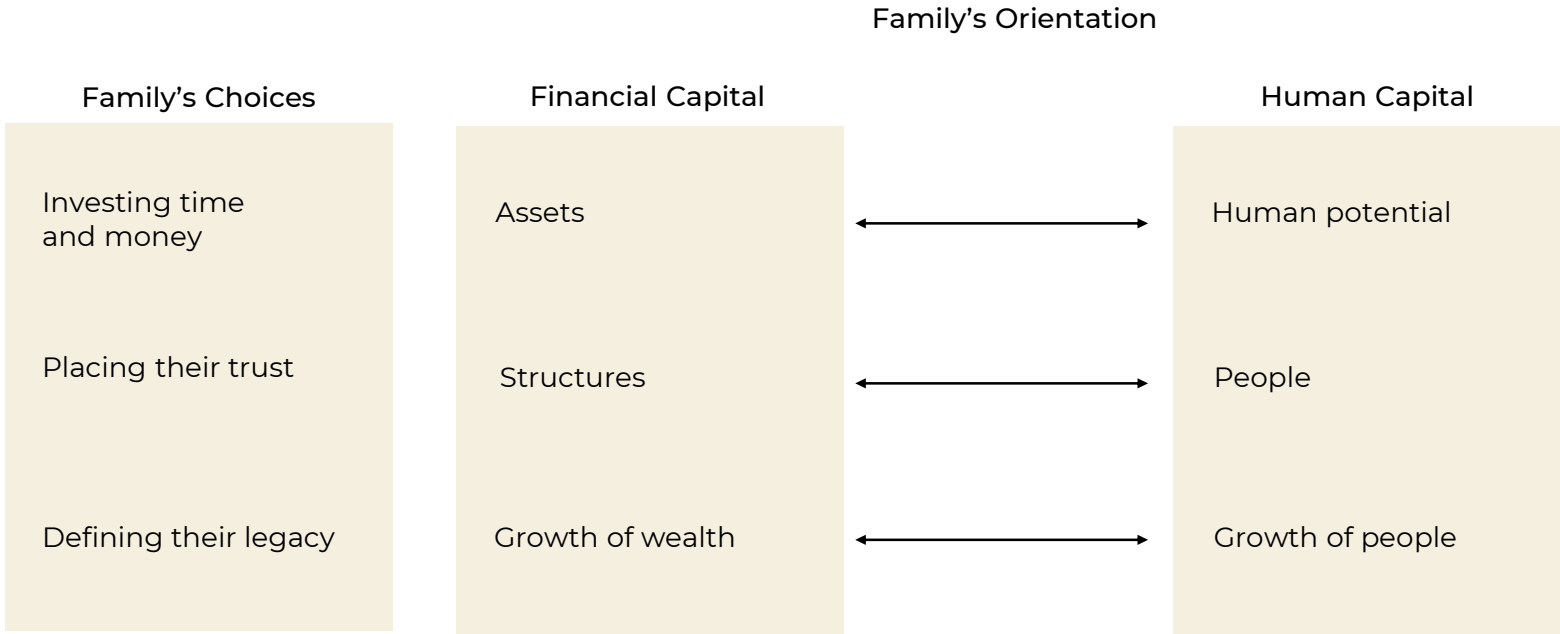
“Family learning should create excitement around NexGen ownership.”

– Family Office Executive

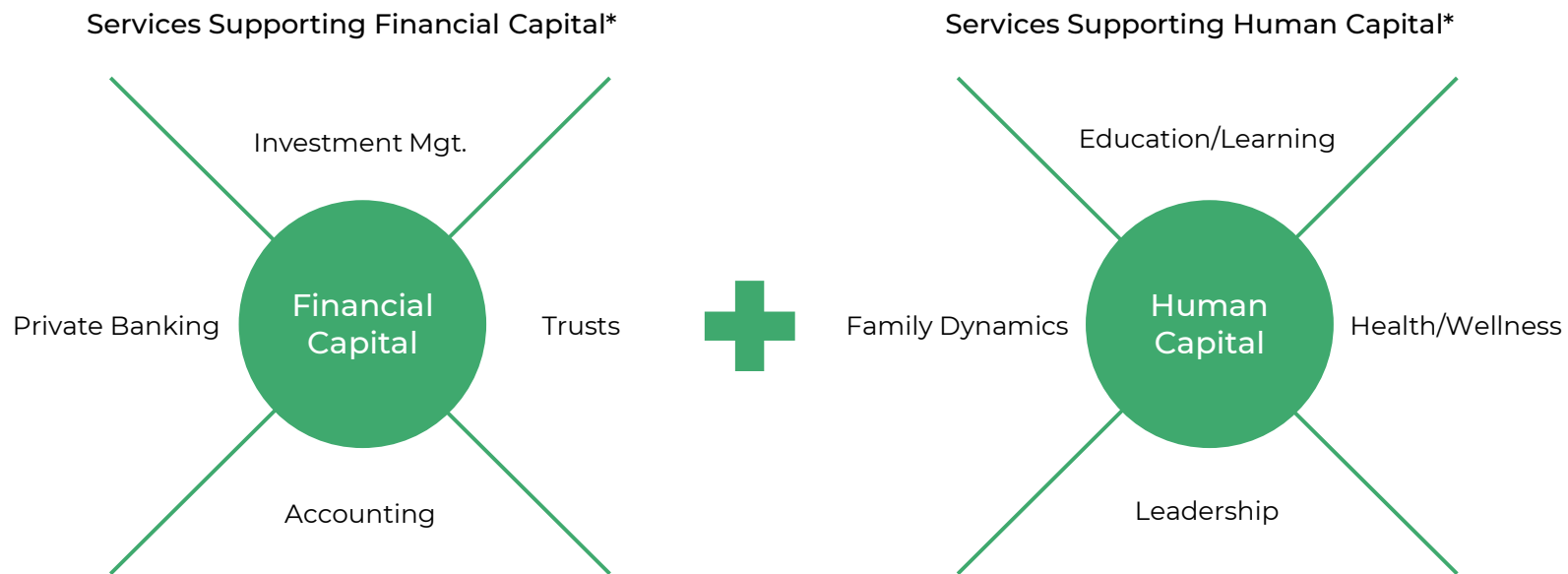
Investing in Human Capital: Practices of Leading Families

- Starting early, or start today
- Solve for common rising generation challenges. Be clear, transparent and set expectations
- Focus on specific skill-building and applied learning
- Ensure a balance of qualitative and quantitative
- Create a structure and allow for flexibility
- Be inclusive and engage the next generation
- Make it fun
- Realistically assess the budget for family learning

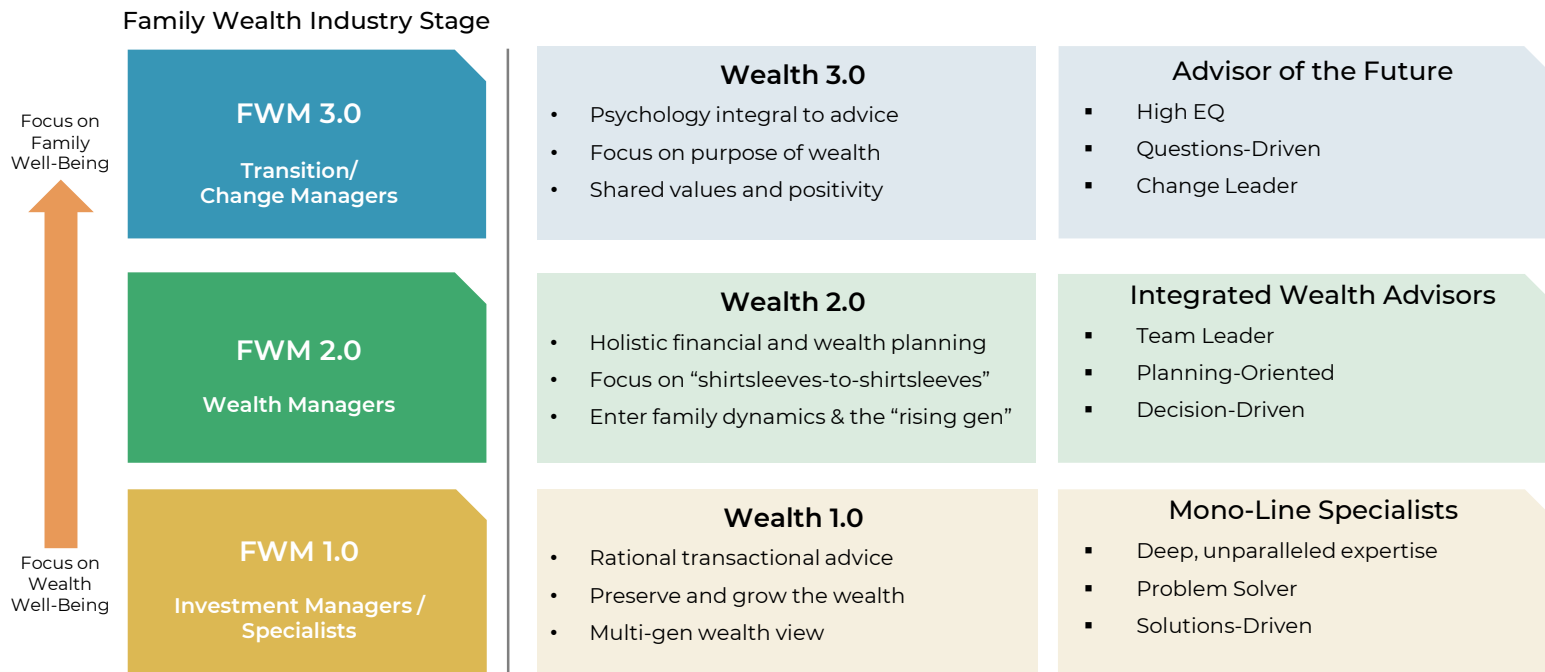
Financial and Human Capital Orientation



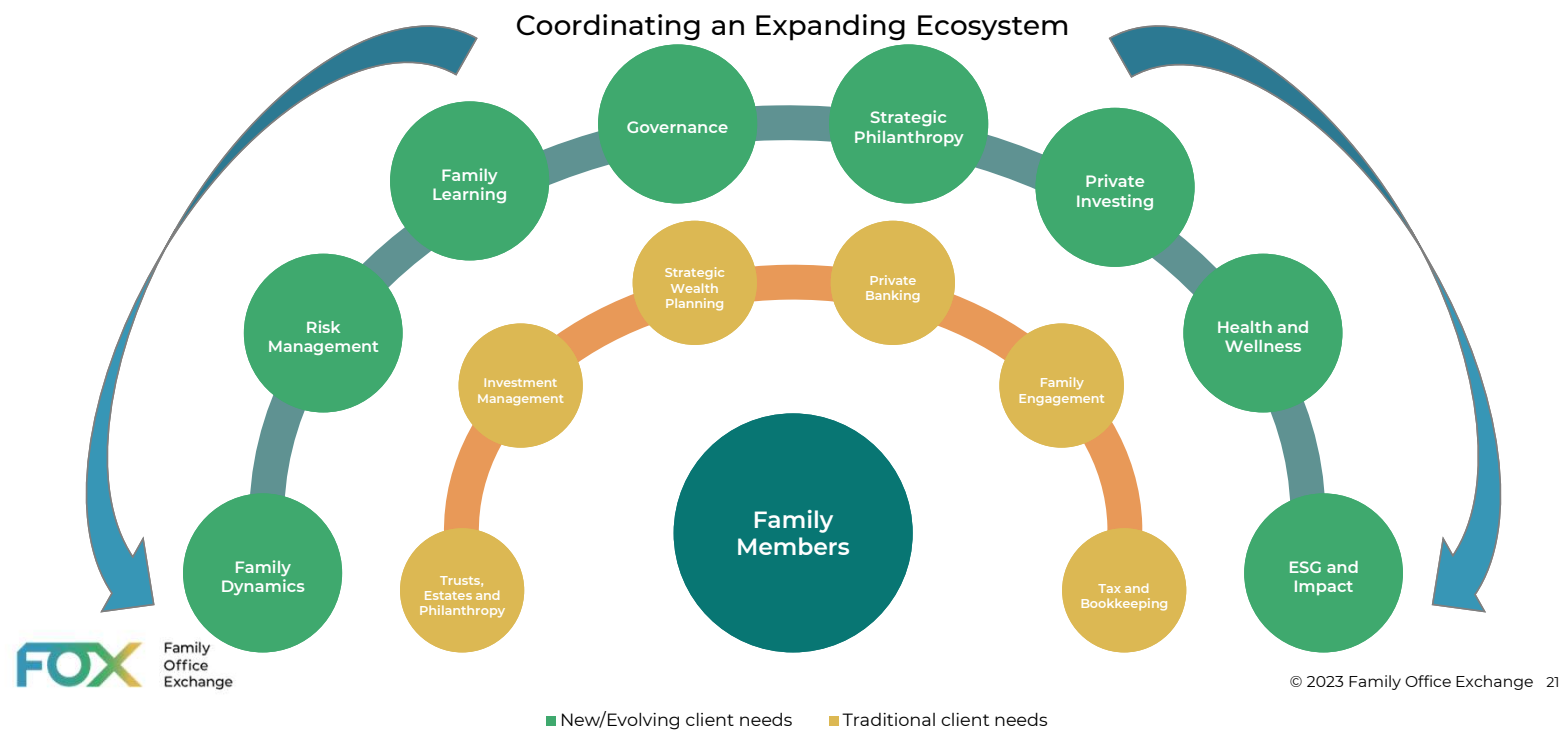
Managing a Family's Financial and Human Capital Needs is Additive



The Role of Advisors is Evolving and Expanding



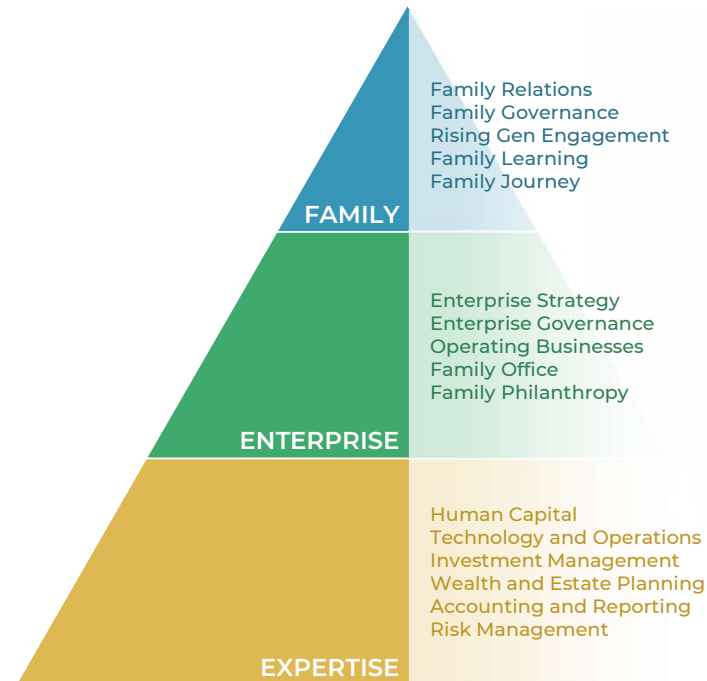
In the New Era, Families will Access New and Varied Set of Services



New Era: Expected Outcomes for Advisors

- Evolution of Service Delivery
- Impact on Business Model and Practice Management
- Redefining Talent and Leadership
- Developing New and Existing Talent

The New Era of Family Wealth Is Here



- Capture the family values across all generations
- Envision the family's place within its community
- Empower family members' positive ambitions
- Elevate human capital to the top of the agenda

- Focus on the family and its goals and aspirations
- Prioritize family education and engagement
- Encourage family to engage with peer families
- Equip staff with EQ skills to work well with family

- Understand the family's (intangible) objectives
- Develop advisors' EQ skills to best serve families
- Build an ecosystem of outsourcing partners
- Invest in thought leadership as a differentiator

Upcoming Member Events

Member Events (Q1-Q2)

Webcast: Tax and Estate Planning Update	Feb. 1
Winter Technology and Cyber & Security Days	Feb. 8-9
Cyber & Security Member Meeting	Feb. 14
Quarterly Direct Investing Program	Feb. 23
Direct Investing Dinner	Mar. 20
Global Investment Forum	Mar. 21-22
Premier Partner Technology and Cyber & Security Days	Apr. 4-5
Cyber & Security Member Meeting	Apr. 11
Cyber & Security Member Meeting	Jun. 10
Quarterly Direct Investing Program	Jun. 29
Member Webcasts	1-2 PER MONTH

Please visit our website for more information familyoffice.com/learning-programs



Upcoming Open Events



FOX PRIVATE TRUST COMPANY WORKSHOP | January 24-26, 2023
Virtual Event

FOX RISING GEN LEADERSHIP PROGRAM
EMERALD EDITION

MARCH 9-10, 2023 | VIRTUAL EVENT

Responsible Ownership for Enterprise Families

MARCH 16-18, JUNE 22-24, NOVEMBER 16-18, 2023 | AMSTERDAM

ROEF ACADEMY | **VU** VRIJE UNIVERSITEIT AMSTERDAM

Upcoming Open Events



**FOX
GLOBAL
INVESTMENT
FORUM**

March 21-22, 2023
Dallas, TX & Virtual

The banner features a background of a glowing green globe with a bar chart overlaying it, set against a dark background with some light trails.

**FOX
FAMILY ADVISOR
TRAINING PROGRAM**

April 19
Virtual
Pre-Session 1

May 3
Virtual
Pre-Session 2

May 17-18
Location TBA
In-Person Program

June 28
Virtual
Post-Session

The banner shows a blurred image of a group of people in a meeting or training session, with a man's profile in the foreground on the right.

**FOX
FAMILY OFFICE
DESIGN WORKSHOP**
for U.S. and International Families

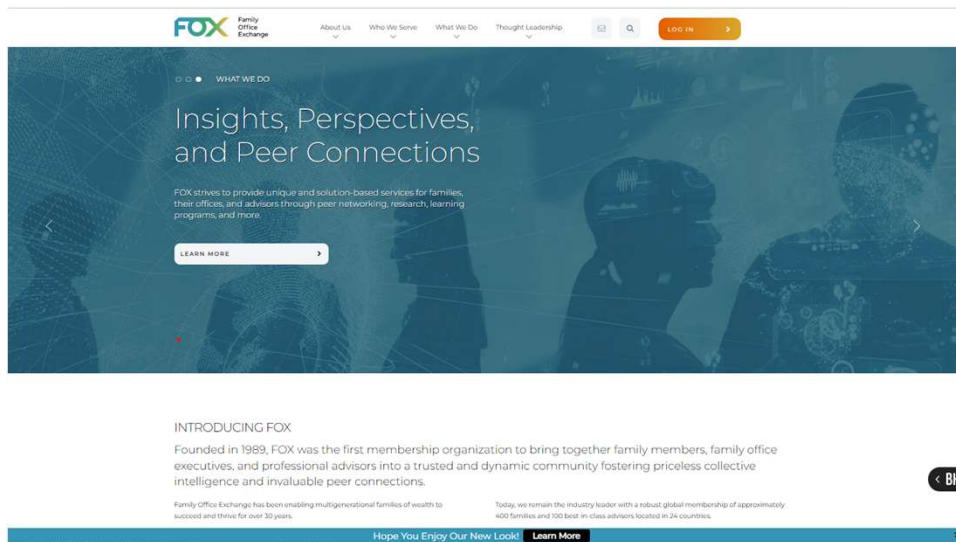
June 6-9, 2023
Virtual Event

The banner features a silhouette of a construction site with cranes against a teal and blue sky.

Everything we covered today is available to FOX members in our 2023 Edition of FOX Foresight.

If you'd like to participate in any of our surveys, contact us at research@familyoffice.com





If you or someone you know would like to learn more about **FOX.**

Please visit our website
familyoffice.com

We are dedicated to supporting your growth through industry leadership and forward thinking. FOX will continue to deliver value by helping you see what's coming, systematically sharing best practices and lessons learned, and identifying your closest peers and strategic industry partners.

To learn more about membership, contact us at info@familyoffice.com or call **312-327-1200**.



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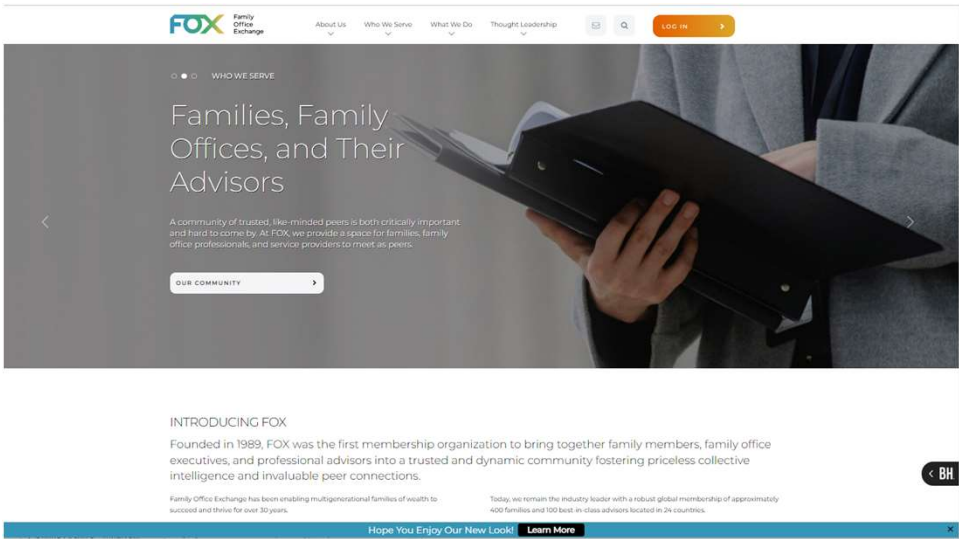


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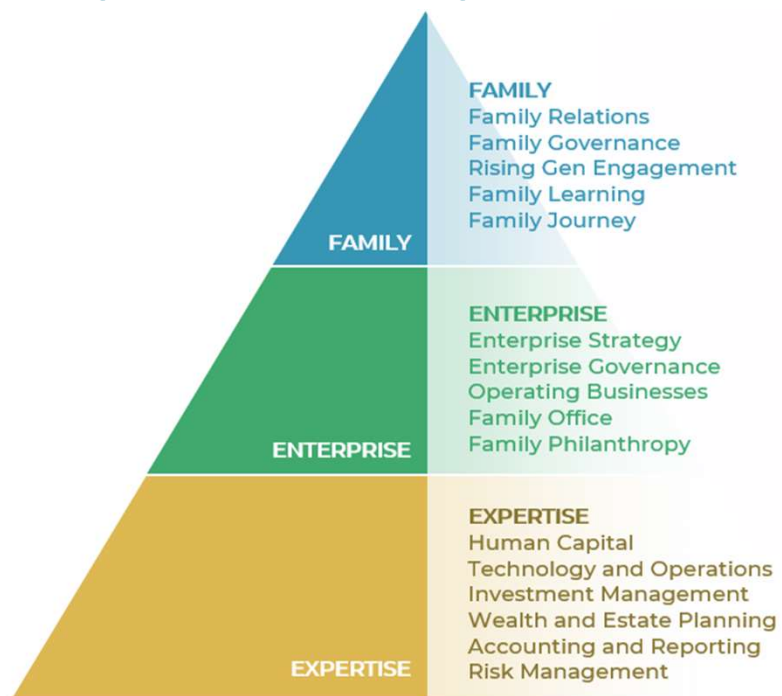
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Key Take Aways

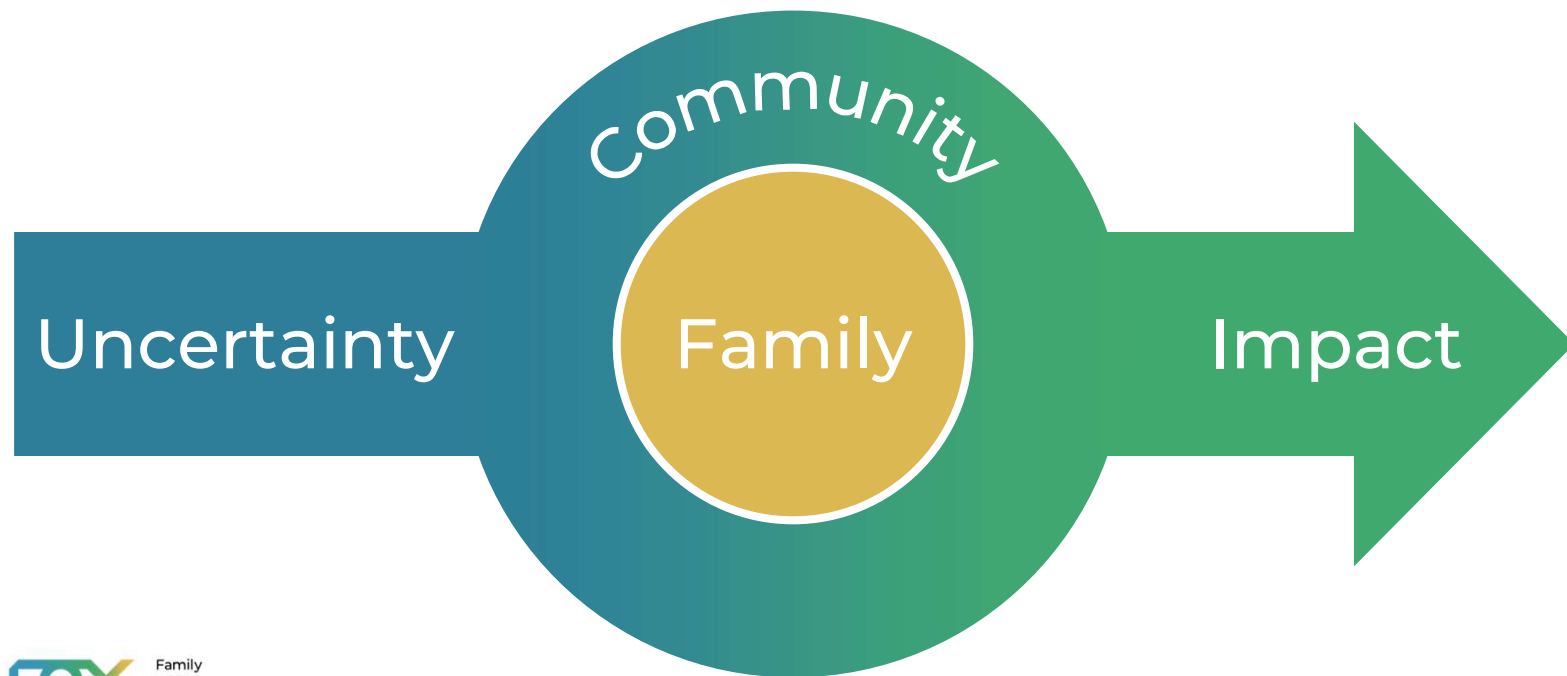


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The Uncertainty to Impact Framework



The Uncertainty to Impact Journey



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The Value of FOX Membership

Members receive a customized experience through a dedicated relationship manager that emphasizes proactive advice and solutions, a network of peers, and a safe community where members form strong and lasting relationships. FOX is distinct because it operates as the member's advocate and guide, with 30 years of helping develop insight and perspective. We value objectivity and discretion, curate resources, from connections to provide continuous learning and help wealth owners anticipate future obstacles.

FOX leads a vibrant community of families and trusted advisors, guiding them to see around corners of what lies ahead in this dynamic and ever-changing world. FOX provides advice and solutions in an unbiased manner, through its thought leadership, a community of peers, and tailored learning programs

The Value of FOX Membership

Experience the power of the community

FOX provides an exclusive opportunity to engage with peers like yourself to gain insights into how other families are operating, what issues they are facing, and how they achieve success.

You'll have the opportunity to network with other members in both small-group settings. Always connected online with our 24/7 member discussion platform, FOXChat, and our Networks (Special Interest Groups).

Access objective benchmarking and insights

FOX provides the gold standard for benchmarking, awareness into how others are approaching structures, service offerings, investment management, as well as cost and compensation figures.

Deep content knowledge and insights that walk you through a critical topic delivering a process for tackling the design and development of your own strategies and action steps.

Contact us to learn more at info@familyoffice.com or call 312.327.1247

Purpose of Today's Presentation (Combine with Topics?)

- Provide context for industry shift
- Anticipate how changes may impact families, FOs and advisors (FOX “seeing around corners”)
- Share the positive, proactive practices of families that are investing in human capital
- Suggest ways to address family and advisor opportunities and challenges

The Uncertainty to Impact Journey



- 1 Understand and assess external threats and adverse trends
- 2 Prepare the family to navigate uncertainty successfully
- 3 Proactively invest in the fundamental capabilities of the family enterprise
- 4 Fulfill the family vision and impact the community positively

The Uncertainty to Impact Journey



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