

State of the Business: Balancing Demand and Growth

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Balancing Demand and Growth

- **Perspectives on UHNW Families**
- **Health of the UHNW Business**
- **New Era of Serving Family Wealth**

Perspectives on UHNW Families

- **Shifting Investor Market Sentiment**
- **Growing Demand for Family Office Outsourcing**
- **Focusing on Family's Wealth and Well-Being**

Audience Question #1

Q: What is your biggest challenge as it relates to dealing with UHNW Family clients?

- A) Engaging rising generation family members
- B) Navigating family dynamics
- C) Educating and coaching family members
- D) Addressing conflict or tension
- E) Succession planning

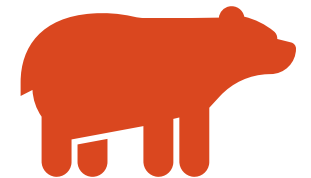
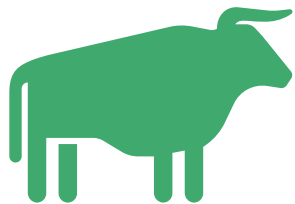
Investment Market Expectations 2023

No Sign of Bulls or Bears, Less Volatility Expected

Economic and Market sentiment - February 2023*

44%
Think the economy will somewhat improve

45%
Expect high volatility

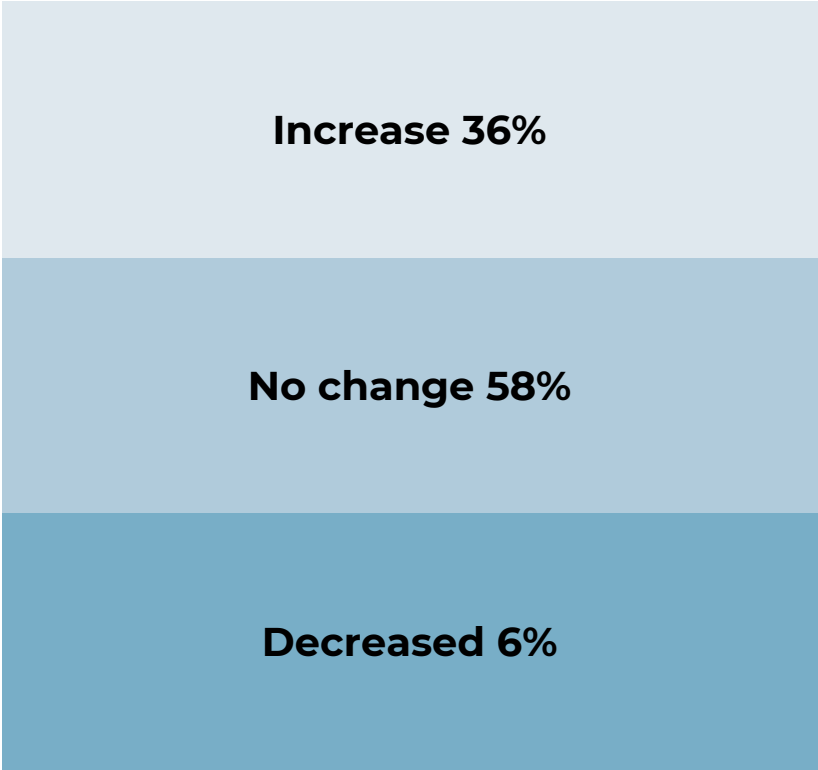


■ Bullish ■ Fairly optimistic ■ Unclear ■ Fairly pessimistic ■ Bearish

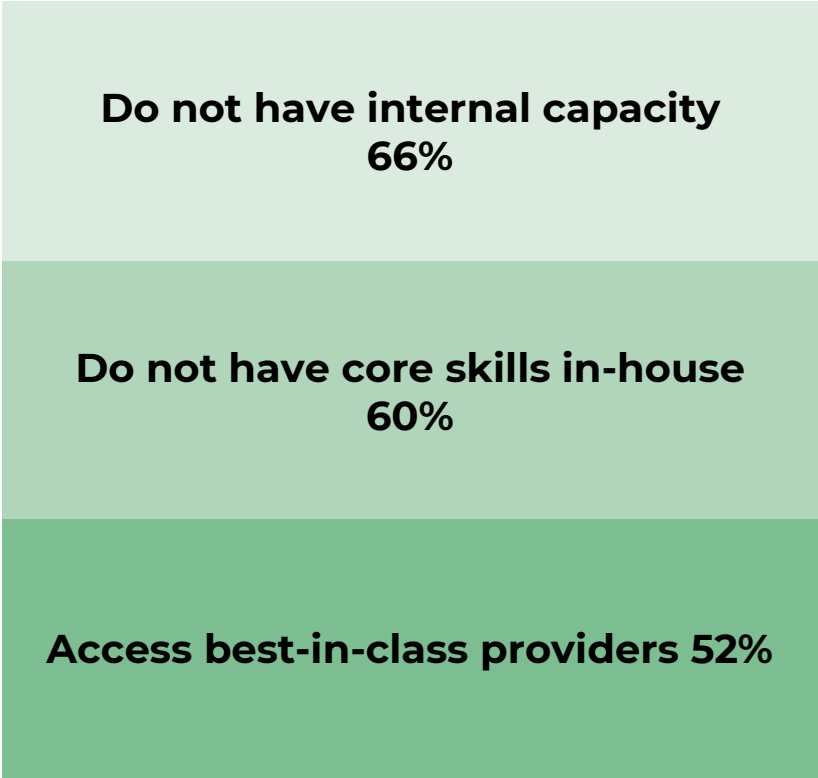
*From the 2023 FOX Global Investment Survey

Growing Demand for Family Office Outsourcing

Outsourcing Demand



Reasons to Outsource



Note: Ocorian Study 91% outsource, 28% increased, 3% will decrease

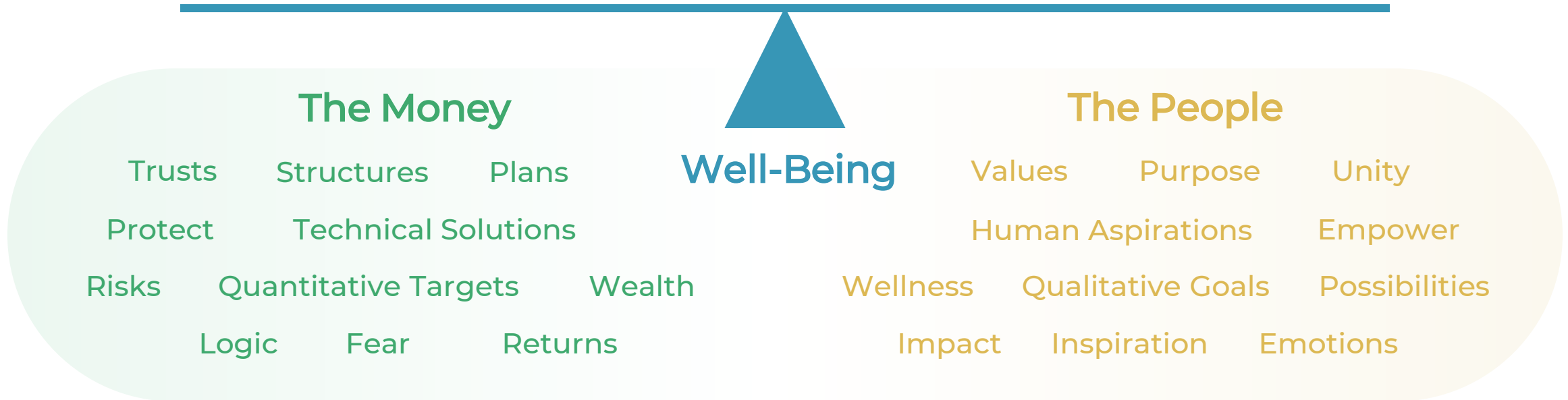
Focusing on Family's Wealth and Well-Being



Financial
Capital



Human
Capital



Health of the UHNW Business

Health of the UHNW Business

- **Market Growth Indicators**
- **Effectiveness of Pricing Strategy**
- **Understanding the Value Proposition**

Question #2

Q : What are your expectations for continued growth in the UHNW business? (select one answer)

- A) Continuation of strong growth
- B) Will still grow, but slower
- C) Growth not likely to continue

Drivers of Unprecedented Growth

Households over \$30 million in net worth	101,240
Household Growth	8% annually
Market Size	\$11.3 Trillion
Centimillionaires	Nearly 10,000

Source: Wealth X

Advisors Expect Growth to Continue

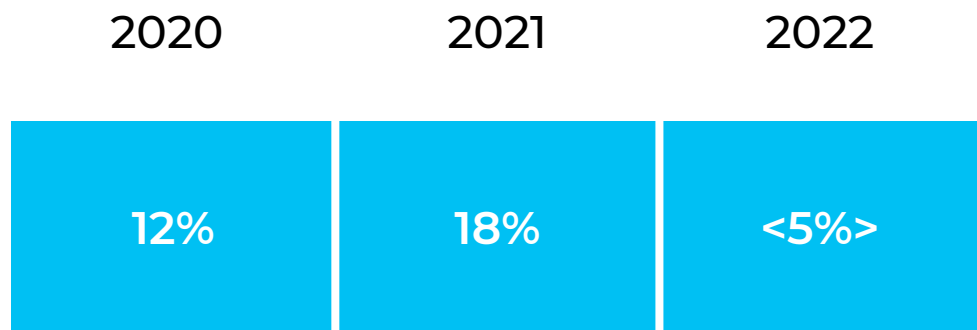
2022 growth was strong; will 2023 be better ?

	% showing growth in 2022	% with >20% growth in 2022	% anticipating growth in 2023
Revenue	76%	13%	100%
Sales	67%	14%	86%
Pricing on services	29%	33%	38%
Pricing on AUM	14%	0%	24%
Total FTE staff	57%	17%	67%

Source: 2023 FOX Multi-Family Office and Wealth Advisor Study

Market Performance has Helped Drive Wealth to Record Levels

Annual Portfolio Returns 2020-2022



UHNW Family Investable Assets



Source: 2023 FOX Global Investment Survey

Healthy Fee Increases are Expected in 2023

	2022 actuals	2023 budgeted	% change
Average	\$273K	\$323K	+19%
Median	\$250K	\$250K	0%

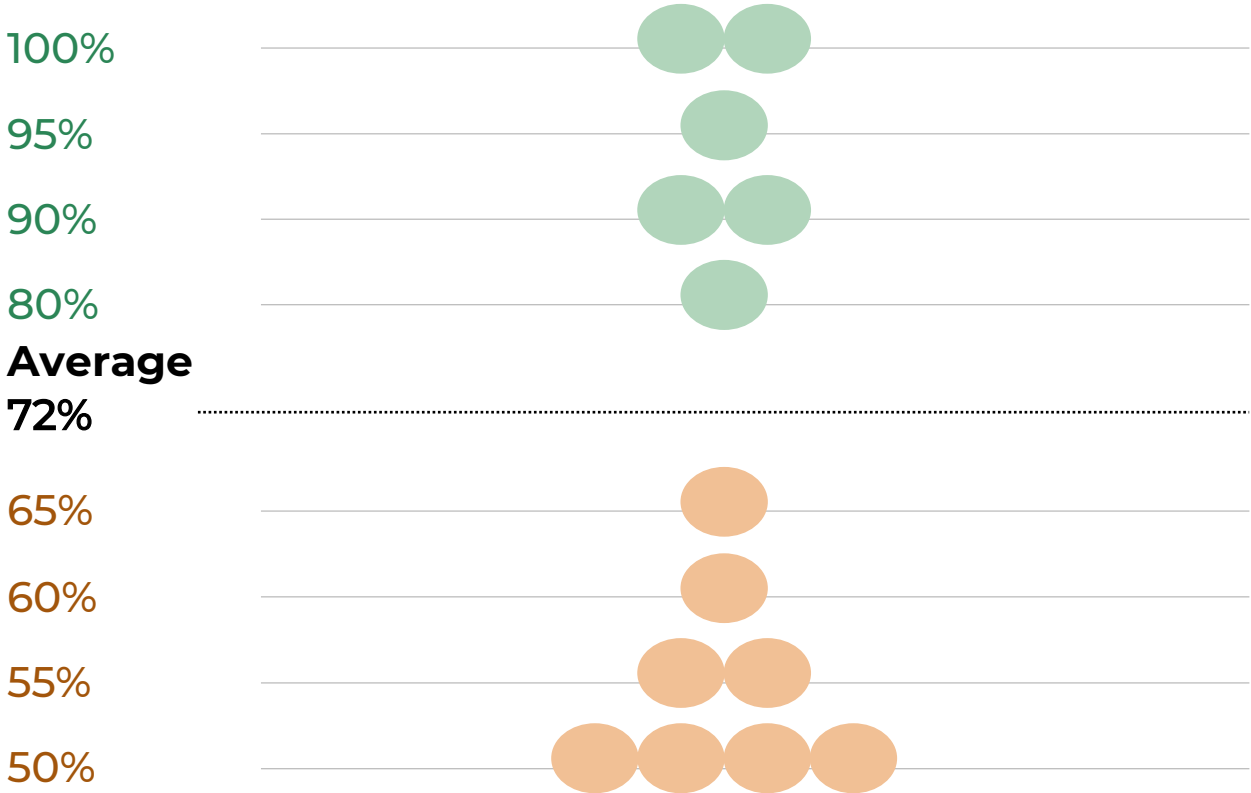
Source: 2023 FOX Multi-Family Office and Wealth Advisor Study

What are the average and median annual fees charged across all of your firms ultra-wealthy family clients in 2022? 2023?
N=varies by category

While Fees are Rising, Leakage is Occurring

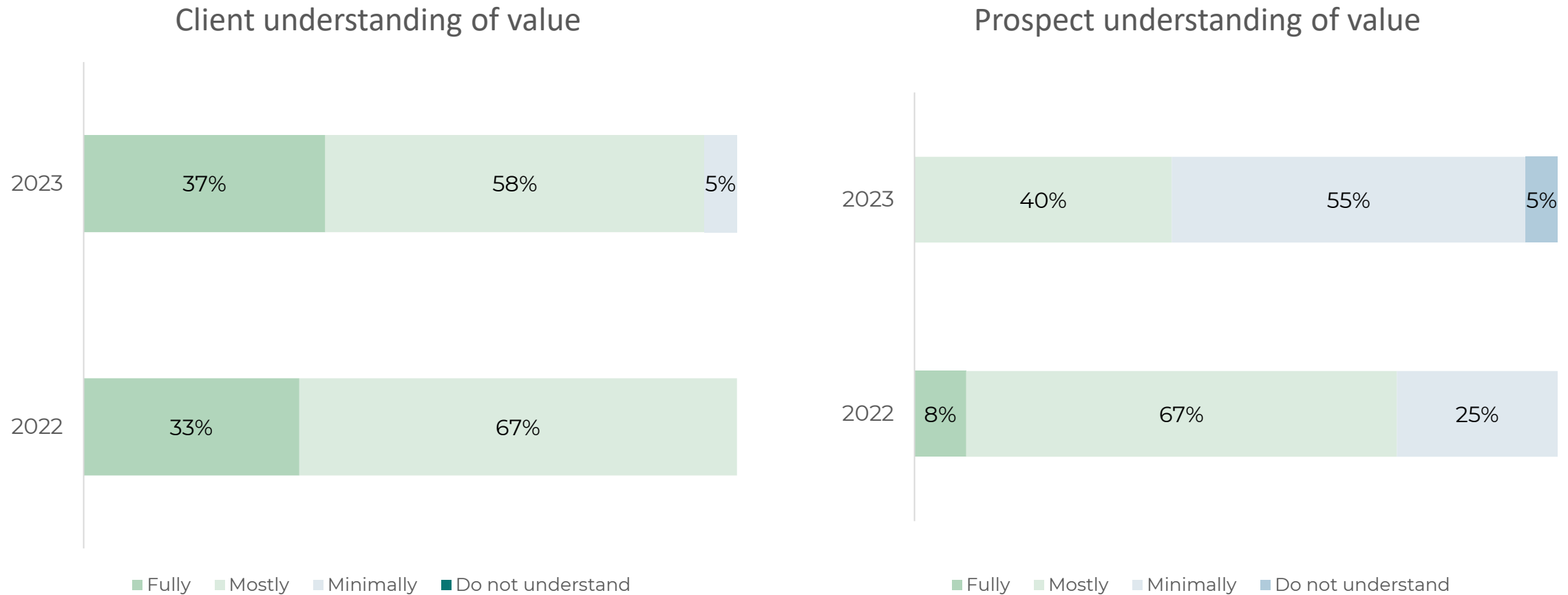
Fees Collected Compared to Schedule Rates

(% of accounts realizing full fees)



Source: 2023 FOX Multi-Family Office and Wealth Advisor Study

Improving Perception of the Firm's Value Proposition Remains a Challenge



Source: 2023 FOX Multi-Family Office and Wealth Advisor Study

When thinking of your client's understanding of your firm's value, would you say clients/prospects _____ your firm's value?
Please choose an option from below. N=varies by category

New Era of Serving Family Wealth

New Era of Serving Family Wealth

- **Changing Competitive Landscape**
- **Shifting Role of Family Capital**
- **Evolving Client Needs**

Question #3

Q. What impact has increased competition had on your business? (choose any or all that apply)

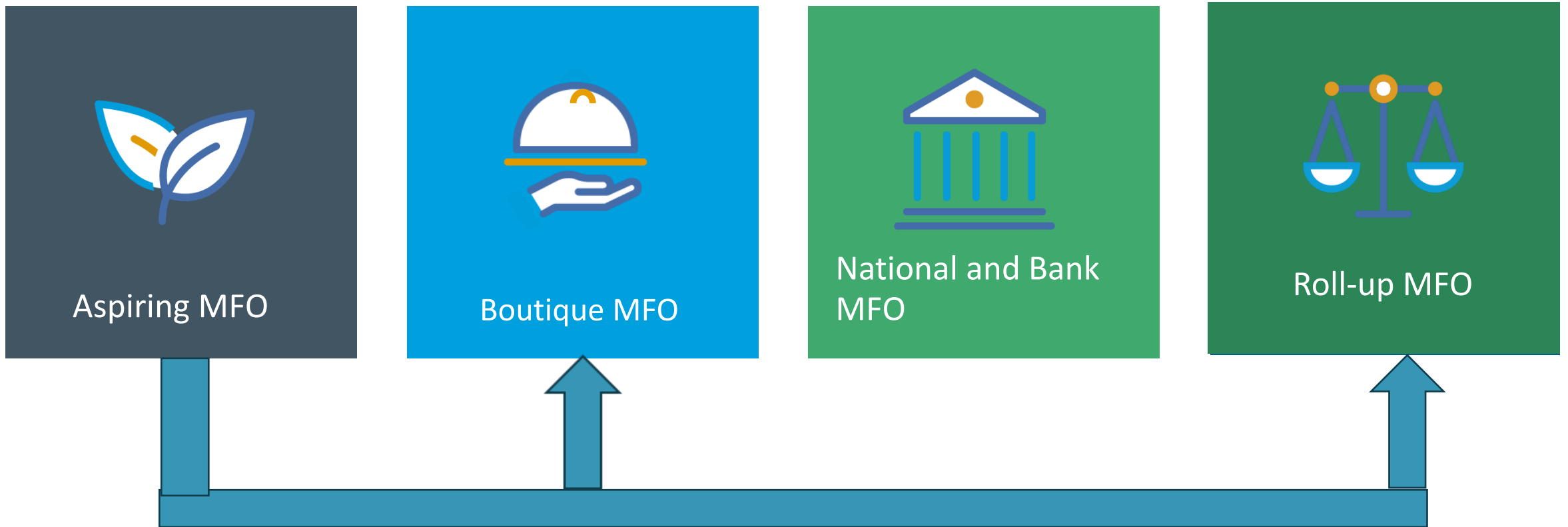
- A) Confused our clients and prospects
- B) More price competition
- C) Difficult to attract and keep talent
- D) Not seeing much of an impact

Private Equity Presence has Grown



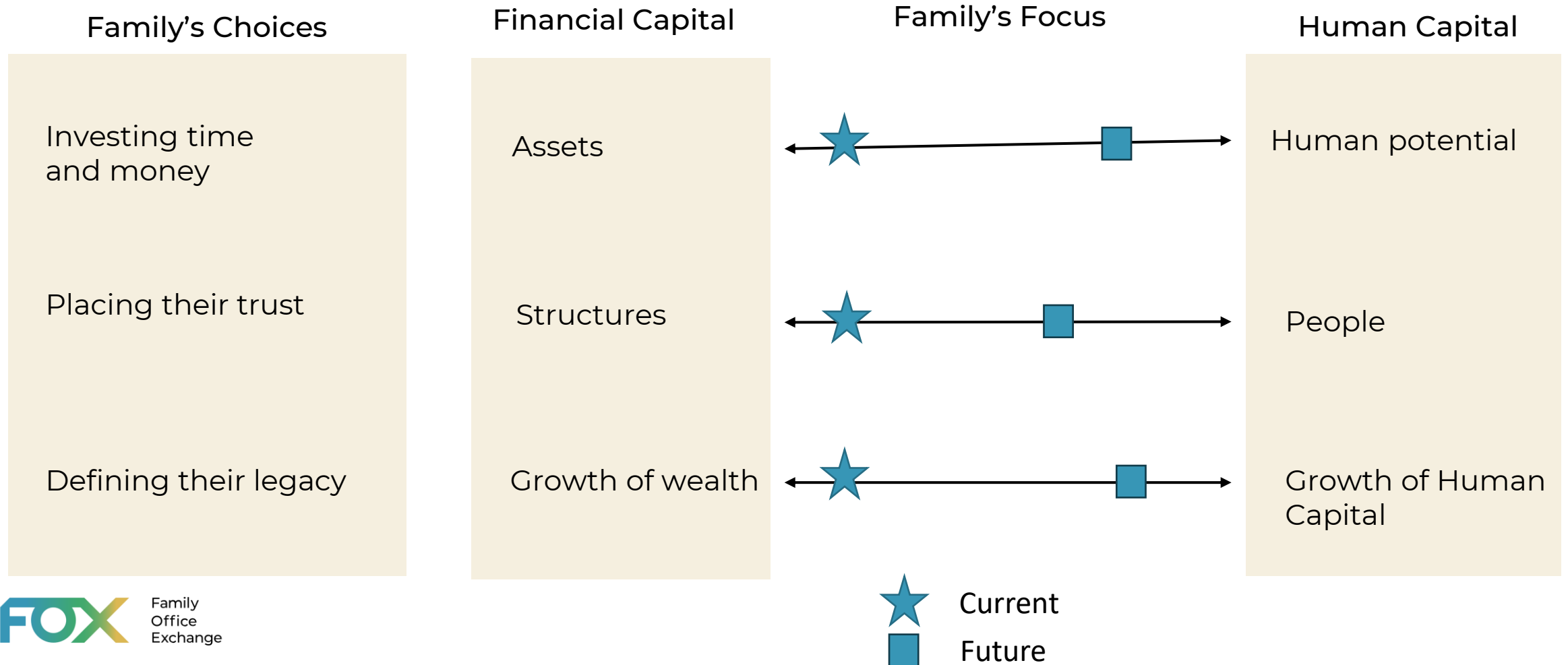
For Q1, PE was involved in over 77% of deals

Nature of Competition is Changing



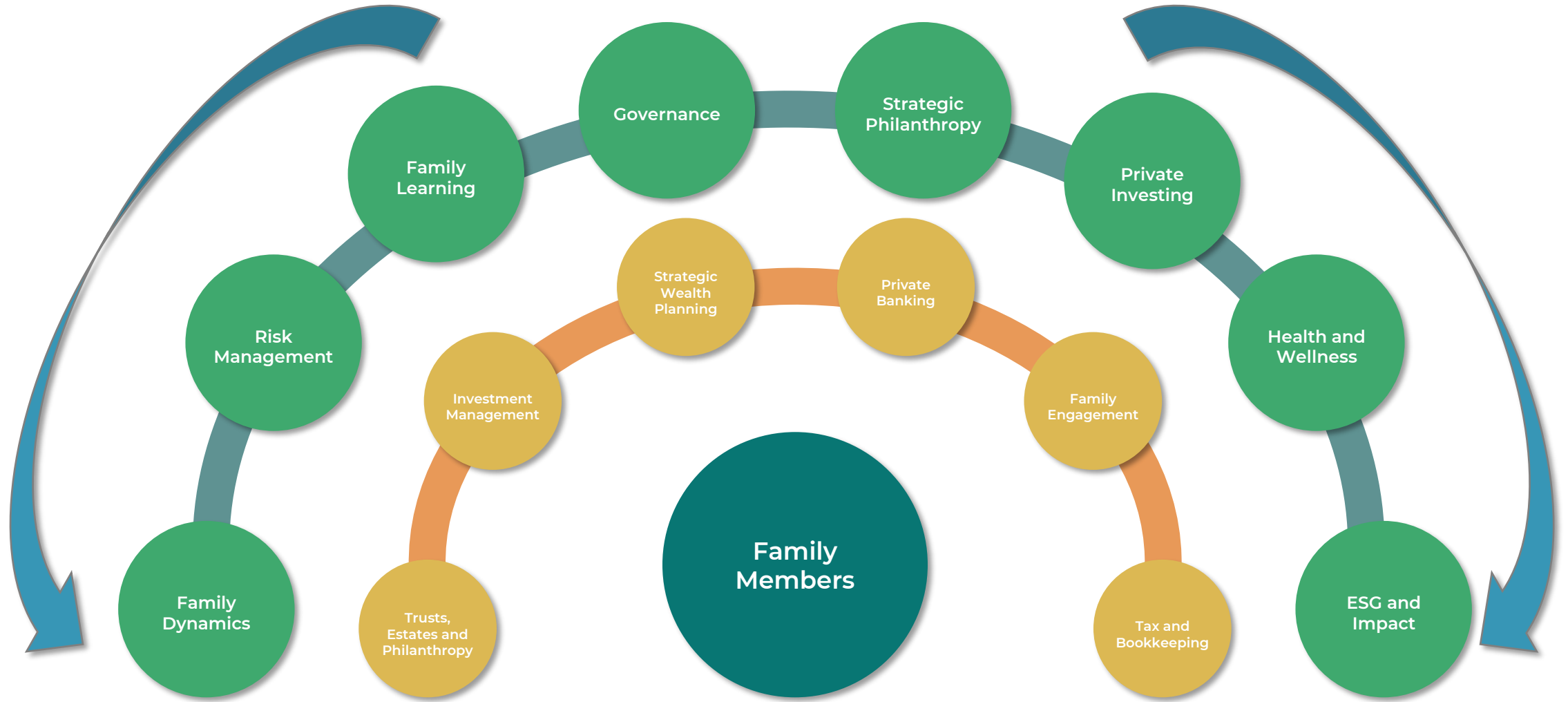
Adapted from "The Multi-family Office of Tomorrow: A Case Study"
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UHNW Families are Evolving



Creating New Opportunities for UHNW Providers

Advisor Coordination



■ New/Evolving client needs ■ Traditional client needs

Wrap Up: Questions for Your Consideration

- 1) How are you balancing growing demands of clients or prospects with your resources?
- 2) Is growth and growing demands causing you to consider changing your service model? If so, in what ways do you see these changes shaping your firm's future strategy?
- 3) Are you confident that your firm's pricing strategy will serve you well as the Family Wealth market evolves?
- 4) How is your talent strategy adapting to meet the development and leadership needs of your team while strengthening client relationships?

Upcoming Events

**FOX
CYBER & SECURITY
SUMMIT** | September 12-13, 2023
Virtual Event

A blue-toned background featuring a stream of binary code (0s and 1s) that appears to be moving from left to right, creating a sense of digital flow.

**FOX
FAMILY
FORUM** | October 23-25, 2023
Chicago, IL and Virtual

A close-up photograph of two hands cupped together, holding several white paper cutouts of a family (two adults and three children) against a light blue, wood-grain background.

**FOX RISING GEN
LEADERSHIP PROGRAM**
RUBY EDITION

NOV. 30- DEC. 1 | MIAMI-AREA, FL

A red geometric logo consisting of multiple overlapping squares and diamonds, creating a complex, crystalline structure.



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