

ANALYSIS

2025 Investment Insights *for Single Family Offices*

A BNY WEALTH STUDY



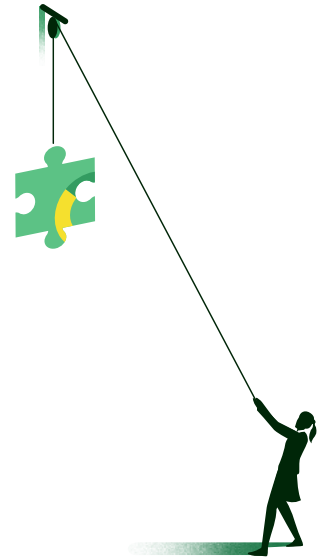
ANALYSIS

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FOREWORD

Our *2025 Investment Insights for Single Family Offices* Report provides in-depth analysis of the investment allocations, strategies, risk appetite and operational practices of key decision-makers at 282 of the world's largest single family offices.



Against a backdrop of heightened uncertainty, investors can benefit from an understanding of developments in the family office sector. Family offices are frequently at the cutting edge of new investment trends, pioneering direct investing within private markets, and more recently, moving into digital assets.

This year's report highlights new patterns that may again prove to be leading indicators for the wider investment community. There is strong evidence that the long-running structural shift of capital from public to private markets still has significant runway. Investors see compelling opportunities in private equity, with enthusiasm about transformative technologies such as artificial intelligence (AI) remaining key drivers. AI now looks strongly positioned to become the defining investment theme of the decade.

Family offices continue to invest significant resources in building out direct investment capabilities, an area that frequently aligns with their in-house expertise. Notably, cryptocurrencies continue to gain acceptance, with new regulatory clarity in some jurisdictions enhancing their legitimacy and appeal. Luxury assets, such as art and watches, have long had a place in family portfolios, but their appeal may broaden amid growing interest in portfolio diversifiers and inflation hedges.

The risk environment continues to evolve as well, with inflation, geopolitics and cybersecurity preoccupying investors worldwide. Inflation risk has risen sharply in the U.S. in particular over the past 12 months, amplified by policy uncertainty under the current administration. However, the policy landscape also brings opportunities. Tax efficiency is coming into focus as investors prepare for potentially favorable changes to U.S. tax policy, with this year's study showing a growing role for tax-managed equity strategies.

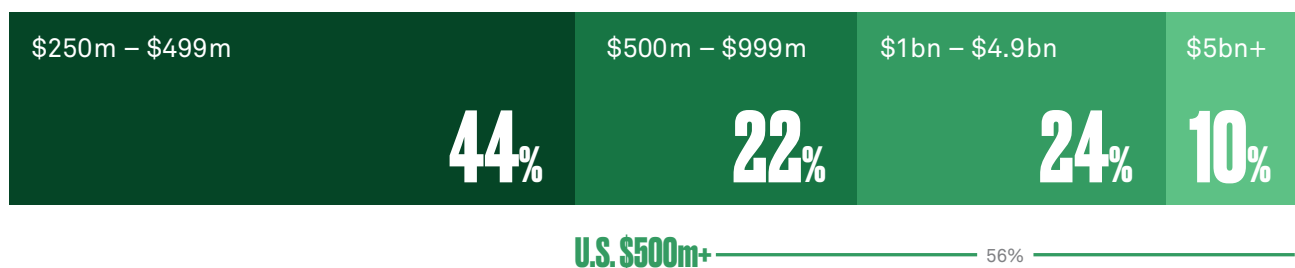
Investment professionals are facing new operational challenges, with concern about staffing constraints rising over the last 12 months. These are acting as a speed bump, hampering the ability of some to move as quickly as they wish into new investment areas. In the face of these challenges, family offices are leveraging expert outsourcing and technology, especially risk-management software and data analytics, to enhance operational efficiency.

This year's survey, conducted in collaboration with The Harris Poll, involved 49% more participants, allowing us to gain an even greater degree of statistical rigor and depth of insight into the issues dominating the sector, especially from family offices beyond the U.S. We thank all those who took the time to participate. Their thoughtful responses and extensive knowledge provided valuable perspectives on the major trends shaping the family office investment landscape.

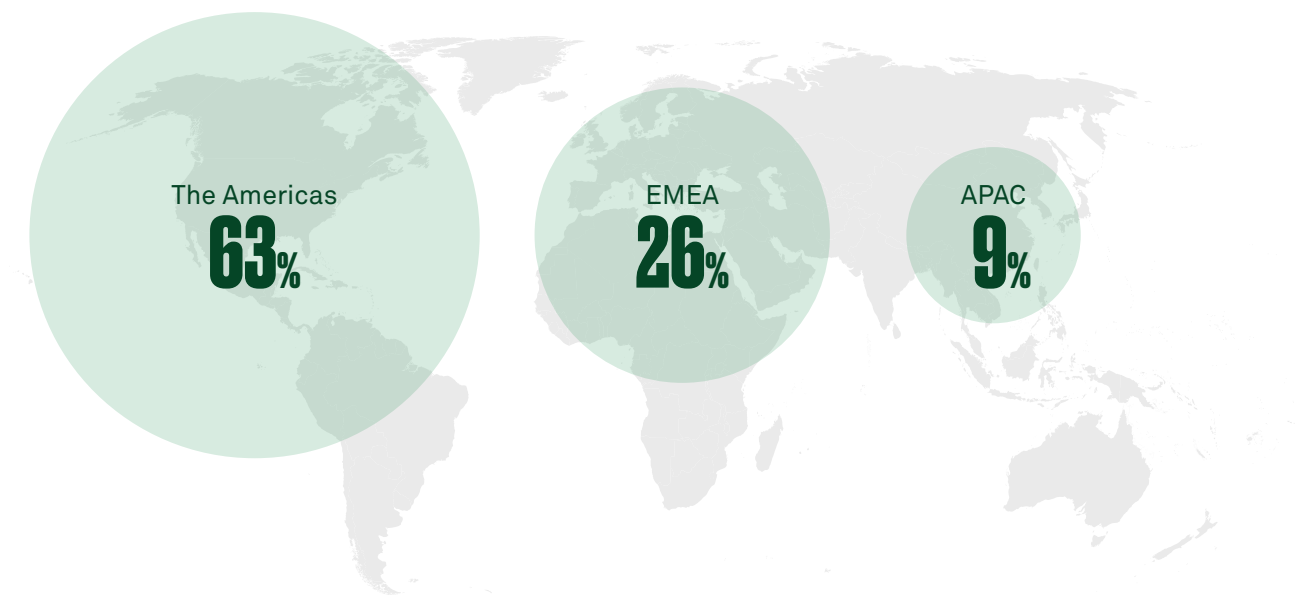
RESPONDENT PROFILE

We surveyed professionals at 282 global single family offices, with AUM ranging from \$250 million to \$5 billion and beyond.

ASSETS UNDER MANAGEMENT



GEOGRAPHY



EXECUTIVE SUMMARY



Private Markets

Private assets continue to dominate amid continued recognition of the structural changes in public markets since the 2008 global financial crisis and the appeal of higher potential returns from the illiquidity premium. There has been a 34% rise in professionals planning to increase allocations to private equity over the past 12 months. The trend is strongest at the largest family offices, with a 69% rise among offices with AUM of over \$1 billion planning to increase private equity fund investments.



Digital Assets

Digital assets are becoming mainstream. Seventy-four percent of investment professionals have either invested in cryptocurrencies or are exploring the possibility, a 21% rise in 12 months. The share of those with no exposure or interest has slumped 37% year over year. Driven by favorable regulatory developments, including support from the current U.S. administration, the outlook for digital assets seems bright.



Direct Investing

Direct investing is thriving, with the case for co-investing rising. Nearly two-thirds (64%) of family offices anticipate making six or more direct investments in the coming year, a 10% increase compared to those reporting having done so in the past 12 months. However, resource constraints are prompting growing interest in external consultants and co-investment opportunities.



Luxury Assets

Luxury assets are gaining traction as potential diversifiers. Already, one-third of investors report holding assets broadly defined as uncorrelated, including watches, art and sports-related investments. The asset class has room to grow as new opportunities in professional sports team ownership and media rights emerge. Growing inflation anxiety may also grow the appeal of assets with inflation hedging potential.



Artificial Intelligence

Artificial intelligence (AI) remains a standout investment theme, with 83% of investment professionals ranking it as one of their highest conviction investment themes for the next five years. AI enthusiasm is helping to drive strong interest in growth-focused private equity, while more than half (52%) of family offices are using AI to help make investment decisions.



Risks

Key policies in the U.S. are impacting the investment landscape. A more relaxed regulatory environment, spending reductions, trade and tariffs, and potential tax changes create new opportunities and challenges. Driven by a 39% increase in reported concern, inflation emerges as this year's top investment risk among U.S. investors.

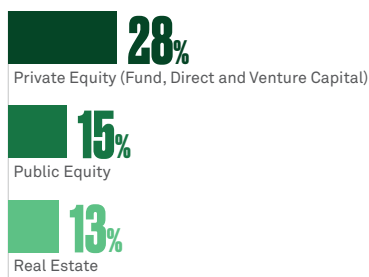
01

A (RE)BALANCING ACT

Family office portfolios are built around the “big three” asset classes: private equity, public equity and real estate. Cryptocurrency and real assets (ex-real estate) are gaining ground, albeit from a low base.

In line with last year’s study, private equity is the central portfolio pillar, with the combined universe of fund, direct and venture capital investments accounting for 28% of current allocations. The share of the U.S. economy that is privately controlled has grown continuously since the 1990s, with the number of private equity-backed companies surpassing public companies in 2012 and continuing to climb in subsequent years. Family offices value real estate for its reliable cash flow and properties as an inflation hedge, a topic that is gaining renewed attention in 2025.

“THE BIG THREE”

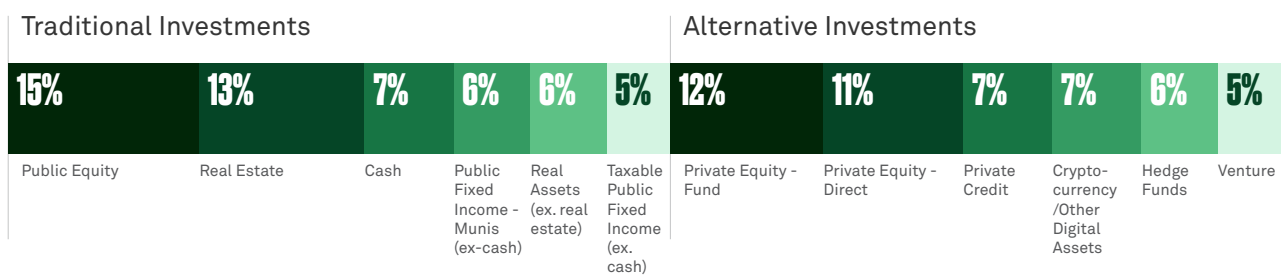


Most notably, public equity’s relative position is diminishing. It continues to play a central role in portfolios, accounting for 19% of investable assets for family offices with more than \$1 billion of assets, and 15% overall. However, these figures represent a 28% decline from last year’s allocation. A likely explanation is investor rebalancing following two years of very strong U.S. equity returns. Indeed, the study results indicate growing concern about valuations, as reflected in a 67% year-over-year rise in U.S. professionals who identified this as a key investment risk.

Nevertheless, despite the rebalancing trend, public equity continues to provide a valuable source of diversification and growth, in addition to being an effective long-term inflation hedge.

Meanwhile, what’s old is new again for real assets, excluding real estate. As inflation concerns have increased, allocations to commodities, precious metals and natural resources have expanded, with a 50% rise in 12 months. Cryptocurrency and digital assets are solidifying their position, driven by a 75% increase in allocations by non-U.S. family offices over the past 12 months.

CURRENT ASSET ALLOCATION



02

PRIVATE MARKETS POWER AHEAD

Opportunities in private markets are the standout focus for the coming year, especially for the largest family offices. As interest rates decline across major economies, real estate is seeing strong demand.

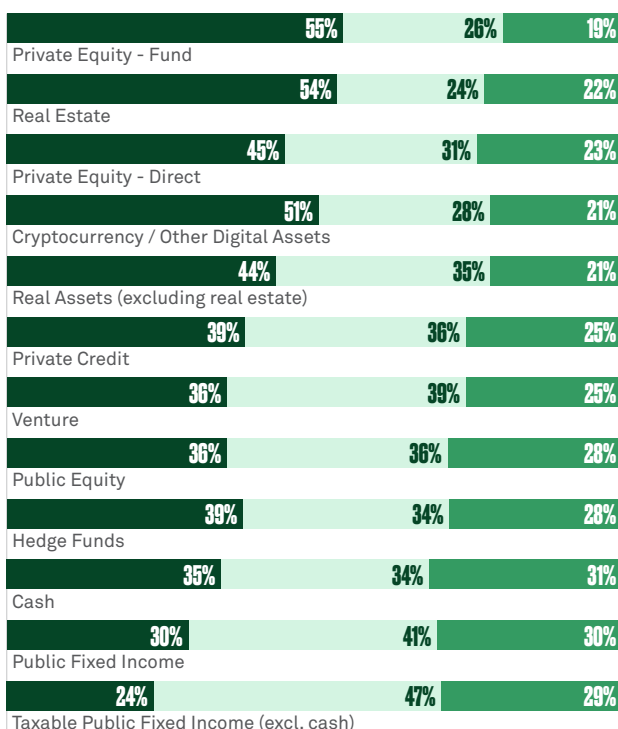
Family offices with assets exceeding \$1 billion continue to expand private markets allocations, with two-thirds reporting they plan to increase exposure to private equity funds over the next 12 months (nearly a 70% increase relative to last year's figure) and 69% planning to increase exposure to direct private equity investments. Over half of family offices with assets less than \$1 billion plan to increase exposure to private equity funds, only a 15% increase compared to last year.

FUTURE ASSET ALLOCATION

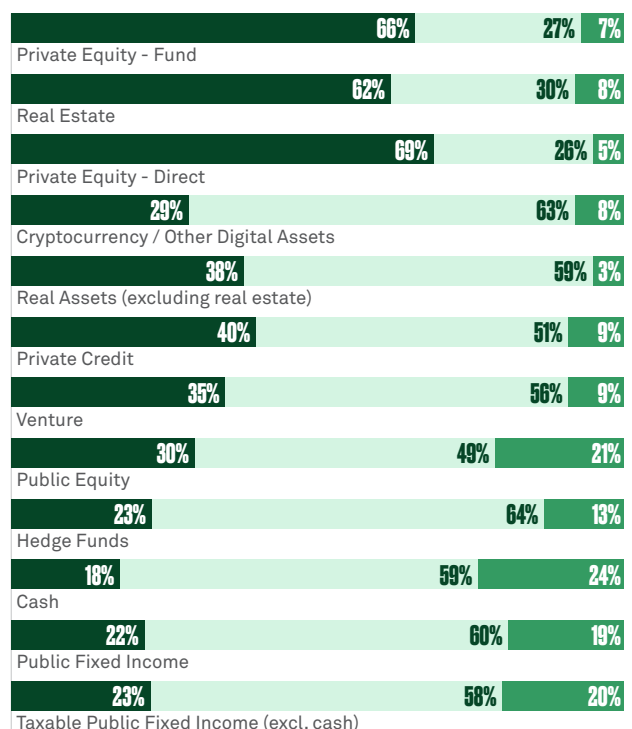
In the next 12 months, which of the following assets are you considering either increasing or decreasing exposure to?

● Increasing exposure ● No change ● Decreasing exposure

AUM Under \$1B



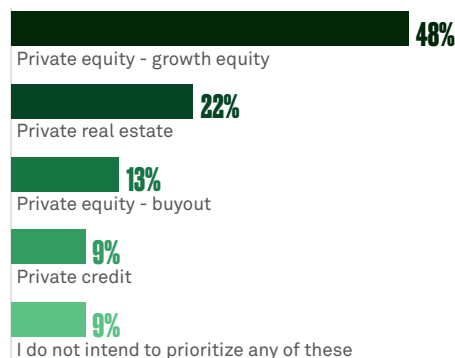
AUM Over \$1B



*Combined percentages may not total 100% due to rounding.

Public equity is a lower priority, regardless of family office size, in this year's study, with 41% of professionals planning no change to exposure. Attitudes abroad are more positive, with a higher percentage of non-U.S. family offices (44%) planning to increase their exposure compared to their U.S. counterparts (26%) over the next 12 months. This geographical split is unsurprising given lower starting valuations on most non-U.S. equity markets when compared to the U.S.

WHICH PRIVATE MARKET INVESTMENT WILL YOU PRIORITIZE OVER THE NEXT YEAR?



*Combined percentages may not total 100% due to rounding.

Real estate is attracting strong interest, helped by the asset's potential use as an inflation hedge.

Real estate is enjoying strong demand as interest rates fall across most major economies. The construction of AI data centers and return-to-office mandates are important growth drivers in commercial property. Growing appetite for real estate can also be explained by the asset's use as a hedge against the potential return of inflationary pressure.

Within private markets, growth equity has taken the lead, driven by a substantial 73% rise in interest from non-U.S. family offices over the past 12 months. It is an increasingly pivotal avenue for accessing key developments such as AI technology, healthcare innovations and energy transition. Valuations in this segment are down from their 2021 highs, providing an attractive entry point for investment professionals. Growth equity can serve as a complement to other private market investments such as private equity buyouts, with less dependency on credit markets to generate returns in concert with the rapid growth of these businesses.

Growth-focused private equity is a pivotal avenue for accessing key innovations from AI to healthcare.

As global interest rates fall from recent peaks, private credit is taking a backseat in this year's ranking, especially among non-U.S. investment professionals. Nevertheless, the asset class has demonstrated strong outperformance versus public debt across a variety of economic and interest rate environments, and it will continue to be an important source of income and a complement to traditional fixed income.

03

CRYPTOCURRENCIES: THE FUTURE IS NOW

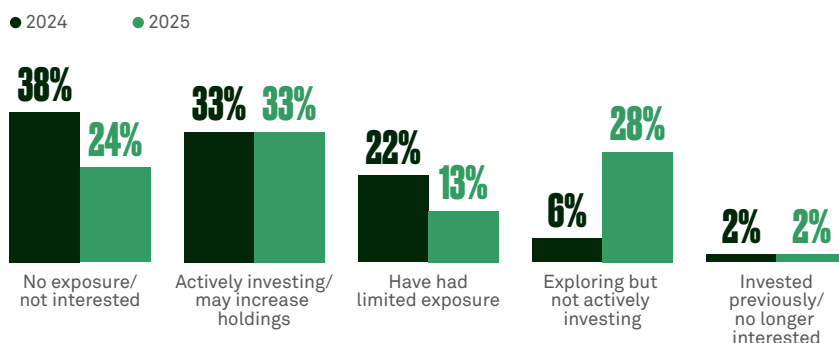
Nearly three-quarters (74%) of family office professionals have either invested in cryptocurrencies or are exploring the possibility, a 21% increase over the past 12 months.

Last year's study found that attitudes toward digital assets were strikingly divided. While some family office investors were curious, there was also significant skepticism, with 38% reporting zero exposure or interest.

However, 2024 was a gamechanger, with the SEC approving the first bitcoin ETFs at the start of the year, and November bringing the election of a crypto-friendly U.S. administration. The ranks of the "crypto curious" have since expanded, with an enormous 367% (or 22 percentage point) rise in professionals reporting that they are exploring — but not actively investing in — the space over the past 12 months.

INVOLVEMENT WITH CRYPTOCURRENCIES

Which of the following best describes your current approach to cryptocurrencies?



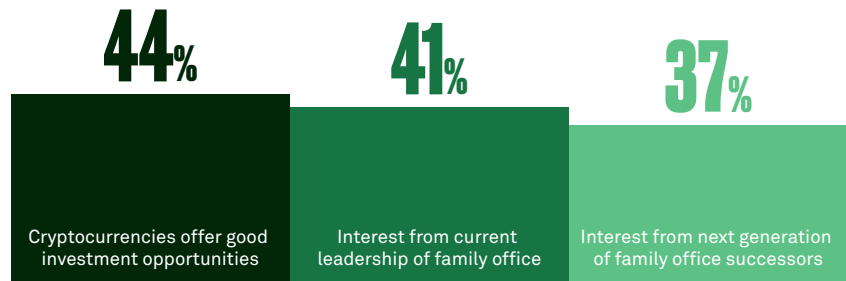
*Combined percentages may not total 100% due to rounding.

Cryptocurrency optimism is not universal, with 24% of investors saying they are still not exposed to or interested in digital assets. Yet, that marks a 36% decline from last year. Outright crypto skepticism appears to be a fading phenomenon.

What is motivating the newly crypto curious? Forty-four percent say that the sector offers good investment opportunities, with 41% citing interest from the current leadership of a family office and 37% interest from the next generation.

MOTIVATION TO EXPLORE CRYPTOCURRENCIES

You have indicated that you are exploring cryptocurrencies. What motivated you to explore/invest in digital assets?



*Respondents were asked to select multiple options, hence combined percentages total over 100%.



of U.S. respondents are more likely to consider cryptocurrency after the outcome of the U.S. election, compared to 69% of all other countries.

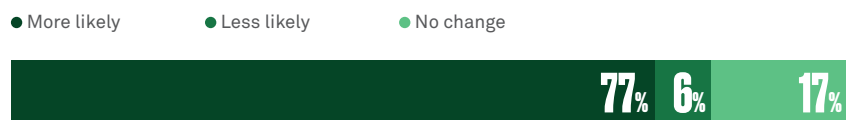


of those with \$1B+ AUM are more likely to consider crypto after the outcome of the U.S. election, compared to 75% with AUM less than \$1B.

Changing U.S. regulatory attitudes toward digital assets are also playing a decisive role, and the effect isn't limited to the U.S. The majority of non-U.S. family offices (69%) report being more inclined to consider crypto since the 2024 U.S. election, a reminder of the central role that U.S. regulation and financial markets can play in driving the global acceptance of a new asset category.

CRYPTOCURRENCY CONSIDERATION POST-ELECTION

Has the outcome of the U.S. presidential election made you more or less likely to consider cryptocurrencies?



BNY Bridges Traditional and Digital Assets

With regulatory concerns around crypto abating in key markets, safe custody of assets is poised to emerge as a future focus in the digital asset space. BNY is actively developing platforms and solutions that leverage blockchain technologies for digital asset transfer and custody. We are optimistic about the growing role of payment stablecoins, which provide a means to deliver faster, more efficient and more inclusive payment and settlement options, in paving the way for growth in the digital assets space. By acting as a bridge between traditional and digital assets, BNY is committed to helping clients explore an exciting and rapidly developing segment of the modern investment landscape.

04

DIRECT INVESTING CONTINUES TO BOOM

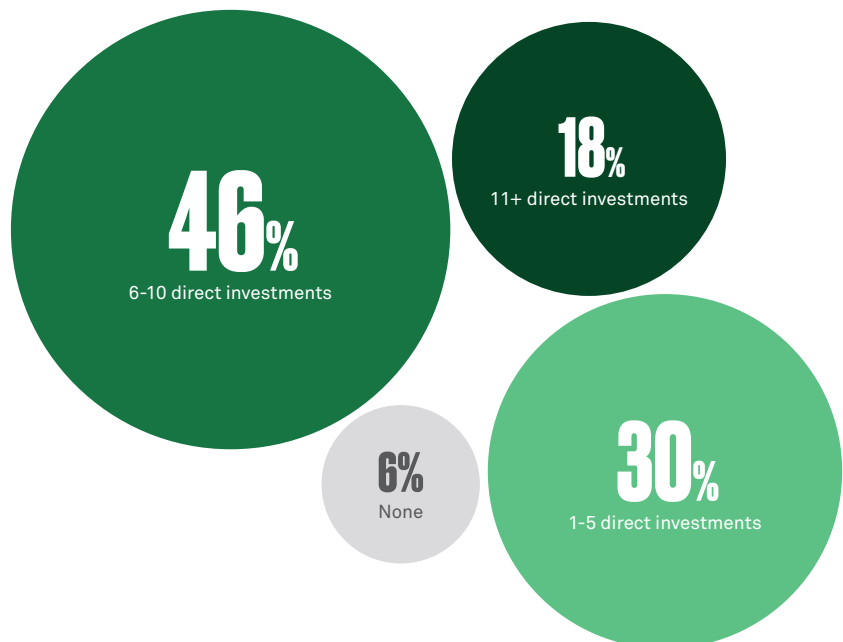
Powerful structural trends, from growing private markets to a desire for more effective risk management, continue to boost direct investing.

Direct investing involves an investor negotiating directly with a private company over the provision of debt or equity, rather than providing financing through a third-party fund. When carefully managed and curated, direct investment programs offer numerous attractions, from potentially superior returns through illiquidity premia to greater transparency about underlying investments, as well as the potential to affect social impact. Family offices often have untapped in-house entrepreneurial knowledge, which direct investing can leverage.

Nearly two-thirds of family offices expect to make six or more direct investments in the coming year, positioning the sector as an important driver of future portfolio growth.

DIRECT INVESTMENTS

How many direct investments do you expect to make over the next 12 months?



Deep alignment of interests and values between a family office and investees is a crucial consideration, evidenced by a 52% increase in those citing “alignment of interests” compared to last year. Direct investing is a patient, long-term practice, and one in which mismatched priorities or strategic frictions can prove major obstacles to unlocking anticipated returns.

The Case for Co-Investments

Co-investment is a valuable lever for enabling investment professionals to achieve their desired levels of exposure to direct investing. An increasingly popular method is working with a general partner (GP), who can assist family offices by sourcing opportunities, providing due diligence support and structuring transactions. Not all family offices have yet built up the familiarity or institutional experience required to identify potential investees or evaluate deals effectively and at pace. Co-investing thus offers an appealing mechanism to start building such in-house knowledge.

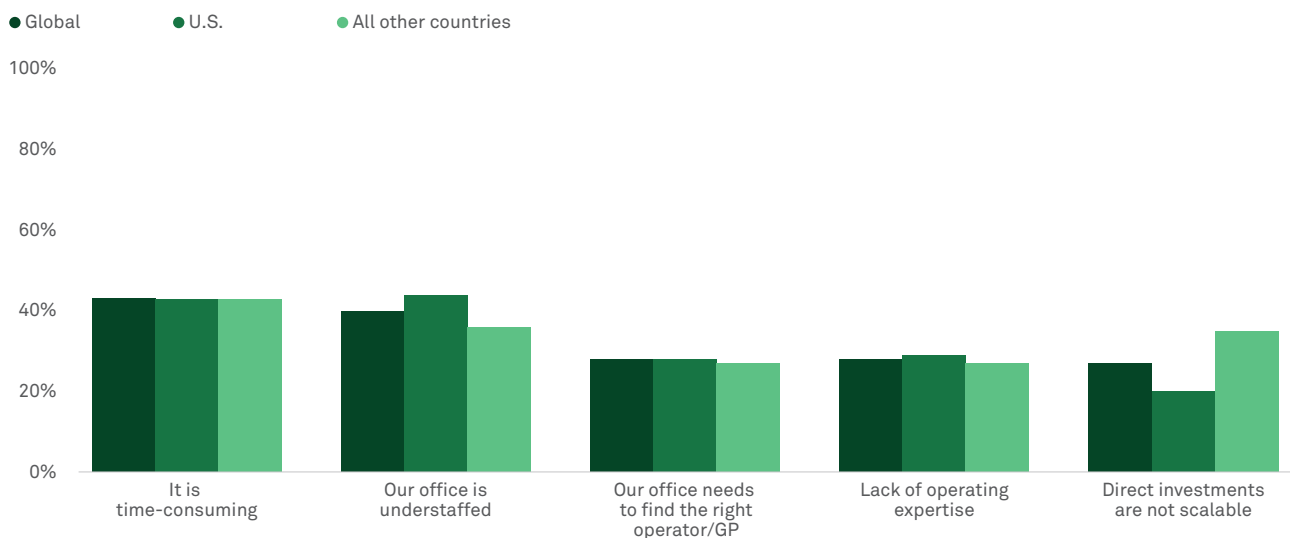
Understaffing is emerging as a significant bottleneck for direct investing programs, especially among U.S. offices.

The demand for co-investments is likely to grow. This study finds strong demand for direct investment exposure, but also highlights important barriers that are constraining expansion into the sector. Understaffing is emerging as a significant bottleneck for direct investing programs, especially among U.S. offices, where 44% cite it as a key challenge, an 83% year-over-year rise.

Meanwhile, a competing challenge emerges for non-U.S. family offices: limited scalability. In certain geographies, the opportunity set of potential local investees is comparatively small, prompting some skepticism about the value of building experience in the space. Here co-investment can also play a role by providing family offices with the required local knowledge and expertise required to gain exposure in regions such as the Americas, where direct investing opportunities are more plentiful.

TOP CHALLENGES WHEN CONSIDERING NEW INVESTMENTS

What are your top two challenges when considering new direct investments?



*Respondents were asked to select multiple options, hence combined percentages total over 100%.

05

LUXURY ASSETS: NEW DIVERSIFICATION PLAY?

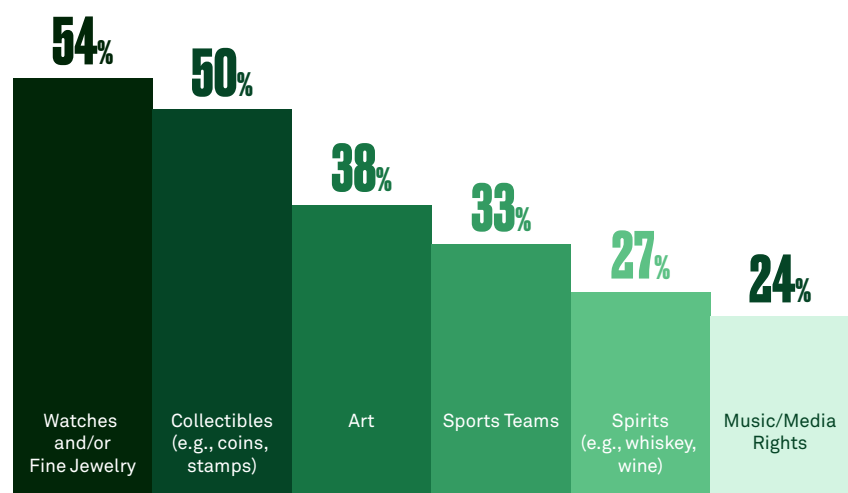
While few assets are truly insulated from wider financial markets, investments such as art, jewelry and sports teams can be attractive options due to their tendency to maintain value during uncertain times, providing diversification and a potentially strong return on investment.

Presently, these types of assets play a muted role in family office investing, with only one-third of professionals reporting that they invest in uncorrelated assets such as sports teams or art. However, that share is set for steady growth, with 22% of those currently not invested saying they plan to enter the space over the next two years. Luxury assets may represent a promising and still relatively uncrowded segment within the wider universe of private markets.

Like many other private investments, luxury assets also have the potential to deliver higher returns because of illiquidity premia. Investment professionals who manage such assets can address the resulting liquidity constraints by accessing customized lending facilities that are secured against their one-of-a-kind assets.

LUXURY ASSETS CURRENTLY INVESTED

Which of the following luxury assets does your office currently invest in?



*Respondents were asked to select multiple options, hence combined percentages total over 100%.
Base: Invest in assets uncorrelated to investment program.

The art market is perhaps the most liquid and deep market among the collectibles categories.

Opportunities are emerging in sports investing as major U.S. leagues begin to welcome private equity stakes.

Collectibles such as wine, watches, jewelry and fine art are among the most common luxury assets showing continued future growth potential but, akin to public markets, are prone to periods of recalibration. The art market, perhaps the most liquid and deep market among the collectibles categories, has experienced a 15-year bull market supported by low interest rates and a period of peak globalization. At this stage, collectors are watching valuations and tracking their favorite artists closely to find exceptional works. They are also looking to their collections as a source of non-volatile and low-cost leverage for other opportunistic capital projects.

Long off-limits to private equity, sports investing has recently earned favor. Since 2019, major U.S. sports leagues have begun to welcome private equity stakes as teams seek new sources of financing for capital-intensive projects such as stadium upgrades. In 2024, the National Football League became the last major U.S. sports league to end blanket restrictions on private equity stakes in teams, marking a major milestone. Institutional capital is increasingly invested in sports assets, creating an opportunity to leverage existing industry knowledge and unlock future growth and value creation. Family offices are attracted by the potential for multiple revenue streams, including tickets and merchandising, but also media rights, ancillary property and hospitality assets, and in certain cases, attractive municipal underwriting.

Opportunities are not limited to team ownership. A powerhouse of the attention economy, live sports fuel a much wider ecosystem of entertainment, media and hospitality businesses in which spillover opportunities are starting to arise. Over the past two decades, music and media businesses have been fragmented by disruptive new distribution models. Now, as these sectors begin to stabilize following a period of transformation, they appear poised for growth, with music especially well-positioned to monetize soaring consumer demand for unique and in-person experiences.



06

AI LEADS AS STANDOUT INVESTMENT THEME

The evolution of AI remains the leading investment theme for the next five years, with renewable energy and deglobalization following close on its heels.

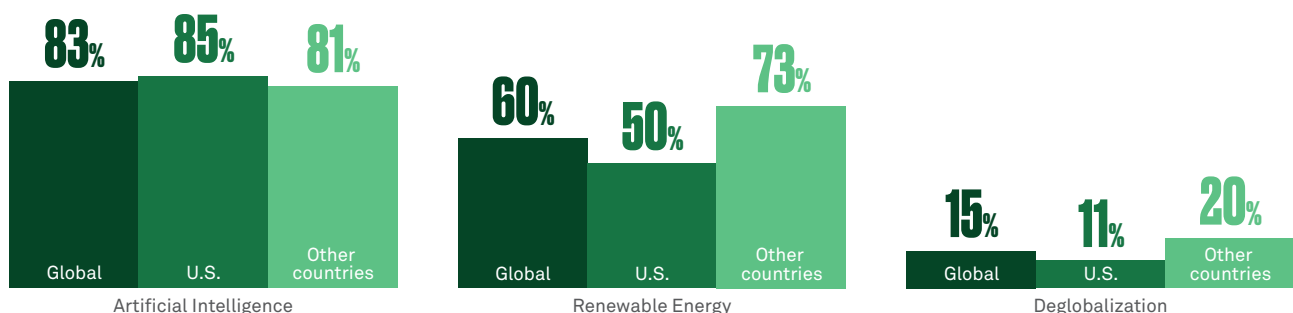
AI retains its top position from last year's study as a standout investment theme, with 83% of global respondents noting it as one of their top focuses for the next five years. Yet, while recent events have raised fresh questions about fair valuations and the role of AI competition from China, they have not shaken the fundamental investment thesis associated with a transformative technology. For those taking a five-year view, AI still stands to dominate the remainder of the decade.

Non-U.S. family office investors consider renewable energy nearly as important as AI, with 73% naming it as a top five-year theme, marking a 49% year-over-year rise. While half of their U.S. counterparts think similarly, this represents a 32% year-over-year rise. Renewable energy benefits from several promising growth drivers. Power generation costs for technologies such as solar have fallen steeply over the past decade, making them increasingly cost-competitive with more traditional energy sources. With electric vehicles and AI data centers poised to send global electricity demand rising sharply in the coming years, renewables are well-positioned to meet an important part of that demand.

As geopolitical blocs are reshaped and globalization recedes from its peak, financial markets face a wild card. Deglobalization is usually regarded as a risk, but some investment professionals also see it as an opportunity to move into new industries and invest in more resilient supply chains.

MOST INTERESTING INVESTMENT OPPORTUNITIES OVER THE NEXT 5 YEARS

Which of the following investment themes do you believe represent the most interesting investment opportunities over the next five years?



Deglobalization is regarded as a risk, but some investors see it as an opportunity to move into new industries and invest in more resilient supply chains.

However, the winners and losers of this grand re-ordering can be difficult to predict. Last year, U.S. family offices were more likely than their non-U.S. counterparts to regard deglobalization as an opportunity within a context of activist U.S. industrial policy and official promotion of “friendshoring.” This year the pattern has flipped, as U.S. policymakers rewrite the rules of global commerce by restructuring trade and prioritizing domestic manufacturing. As a result, non-U.S. family offices are now more likely than those in the U.S. to regard deglobalization as creating opportunities.

With U.S. tariff rates still being negotiated, the impact on costs, growth and trade flows remains uncertain. Given changing trade dynamics, family offices will need to place a heightened focus on risk management, operational agility and portfolio diversification to profitably navigate a period of heightened uncertainty.



07

TRIPLE THREAT: PRICES, GEOPOLITICS AND CYBER

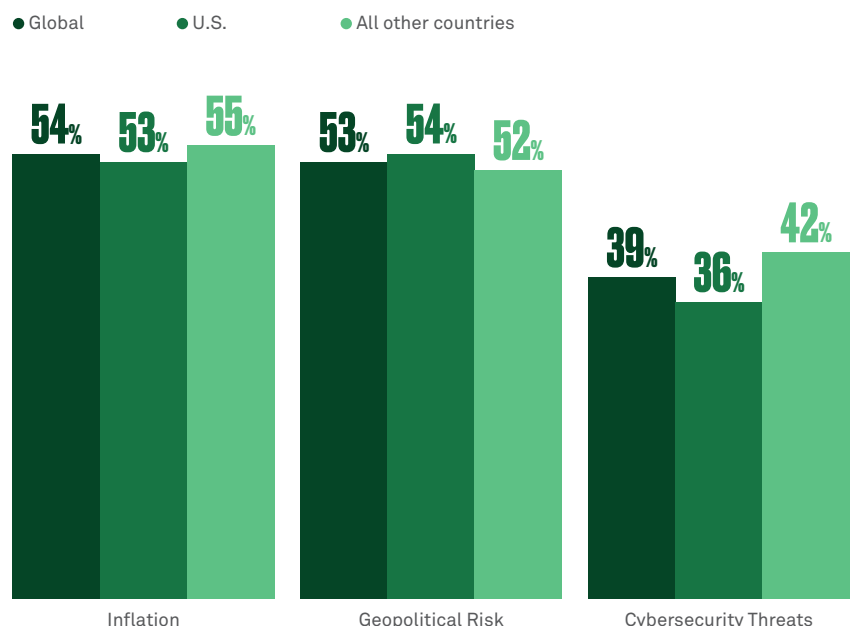
The top three investing risks are unchanged from last year, but inflation rises to a top concern, with geopolitics and cybersecurity filling out the top three.

Concern about the future impact of the U.S. administration's tariff, fiscal and immigration plans on prices is reflected in a 39% year-over-year rise in U.S. investment professionals identifying inflation as a top three risk.

Family office investment professionals are always attuned to inflation. Last year's study showed that they continued to place emphasis on inflation risk, even at a time when the wider market was focused on how many Federal Reserve rate cuts were in the pipeline. That disciplined focus on the inflationary threat proved prescient, as recent U.S. consumer surveys show rising expectations of inflation over the coming years. Indeed, the shift to real estate and real asset investing in this year's study suggest that family office professionals are positioning portfolios for inflation to settle at a level higher than that observed in recent decades.

TOP 3 INVESTMENT RISKS OVER THE NEXT 5 YEARS

What do you consider to be the biggest risks to your investment portfolio over the next five years?



*Respondents were asked to select multiple options, hence combined percentages total over 100%.

Perceptions of political risk are decreasing following a busy year for elections globally.

Geopolitical risk concerns remain at similarly elevated levels to last year, with ongoing global conflicts and the danger of significant escalation a persistent tail risk for financial markets. While there has been a small decrease in concern about cybersecurity threats, new attack vectors, such as AI deepfakes, are rapidly evolving. Cyber-vigilance remains critical.

However, not all risk indicators are ticking up. Countries comprising over half of the world's population held elections in 2024, which drove heightened policy uncertainty in last year's study. But with crucial votes concluded in the U.S., the European Union, Japan, India and the U.K., concern about the political environment has declined 29%, driven by a 46% drop outside the U.S.

08

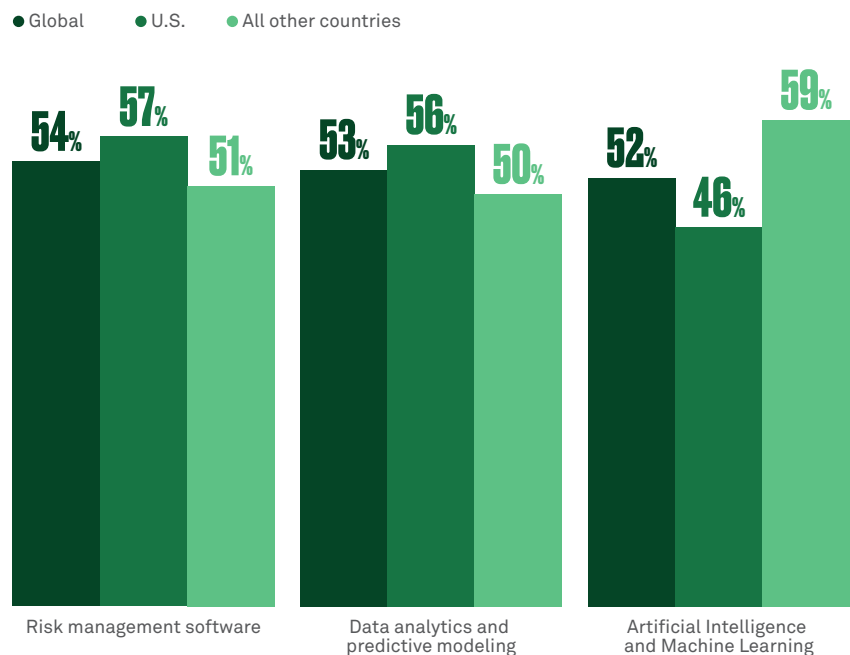
HARNESSING THE POWER OF TECHNOLOGY

Family offices are at the forefront of technology adoption, with over half now leveraging risk management software, data analytics, AI and machine learning (ML) within their investment process.

While U.S. family offices are primarily focused on leveraging risk management software and data analytics, all other countries are more focused on leveraging AI and ML.

LEVERAGING TECHNOLOGY IN INVESTMENT DECISIONS

Is your office leveraging technology in the investment decision-making process?



*Respondents were asked to select multiple options, hence combined percentages total over 100%.

Despite overseeing significant assets, many family offices are leanly staffed. More than half (58%) of offices in this year's survey have fewer than 20 employees. This makes professionals in the sector especially focused on harnessing the operational efficiencies that technology can deliver. Deployment of data analytics tools and risk management software has enjoyed strong growth this year, particularly in the U.S., as family offices seek to build more agile in-house investment processes.

These investments show signs of yielding results: this year, family offices are most likely to cite risk management expertise as a "primary strength," with the share of those doing so rising 53% since last year.

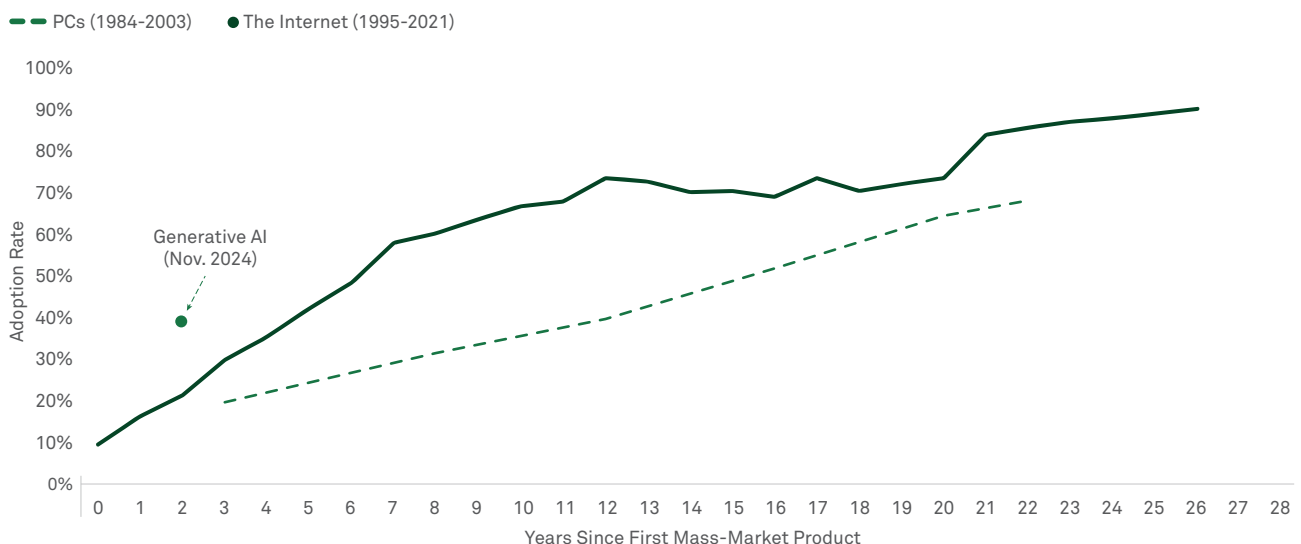
The pace of AI adoption continues to outpace internet uptake by two years and the personal computer by five to six years.

AI and ML are the third most widely deployed technology, with adoption unchanged from last year overall. However, AI rollout at the organizational level is not always smooth, as evidenced by a 21% (12 percentage point) year-over-year decline in U.S. family office deployment of AI/ML. This is a reminder that AI rollout is still at an early stage, with companies experimenting with new approaches, eliminating applications that fail to deliver results and accumulating institutional expertise through trial and error.

On a five- to 10-year view, AI technology is nevertheless poised to prove transformative. The rate of AI adoption continues to outpace internet uptake by two years and the personal computer by five to six years. It is helpful to remember that we are only three years into the boom of Large Language Models, a type of AI that can ingest, transform and generate human language.

AI ADOPTION

Major Technology Products Adoption Rate After First Mass-Market Product 1984 Through August 2024



Source: Bick, A., Blandin, A., and David J. Deming, 2024. "The Rapid Adoption of Generative AI." *NBER Working Paper No. 32966*.

BNY's Role in Leading Adoption of AI

We are using the world's most advanced research models to power "Eliza," our enterprise AI platform named after the spouse of Alexander Hamilton, who founded the firm over 240 years ago. By offering rapid access to internal knowledge and facilitating the creation of AI tools and agents, Eliza is streamlining workflows and unlocking powerful productivity growth at the firm.

09

LEVERAGING EXTERNAL EXPERTISE

Family offices are leveraging external knowledge of risk management and portfolio construction as performance measurement outsourcing continues to grow.

Demand for external investment advisory services has softened slightly in the past 12 months, with a 15% drop in the number of offices reporting they leverage external expertise. This is unsurprising following two years of very strong cross-asset returns that have created benign investing conditions. It will be interesting to learn whether the trend persists if market conditions grow more challenging over the coming year.

INVESTMENT ADVISORY SERVICES

Do you outsource investment advisory services?

● Yes

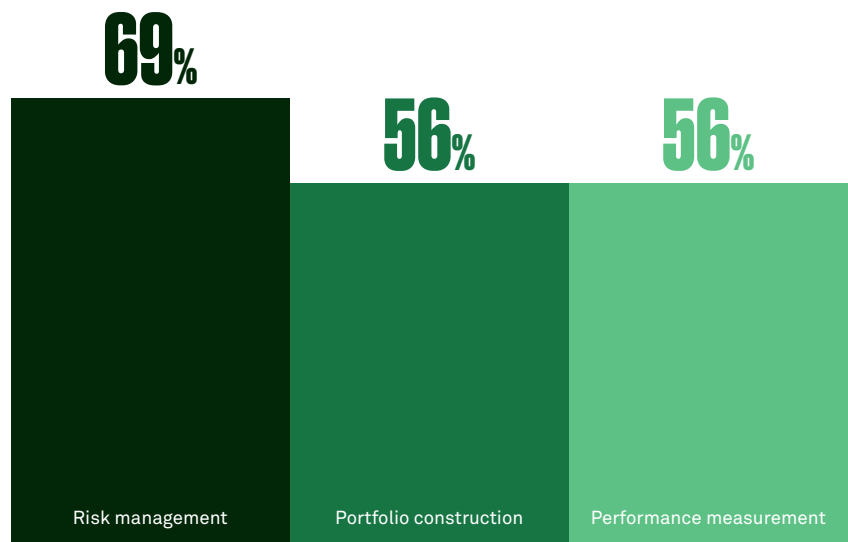
● No



Demand for performance measurement services has increased significantly compared to last year.

INVESTMENT CONSULTANT SERVICES USED

For which of the following services do you use investment consultants?



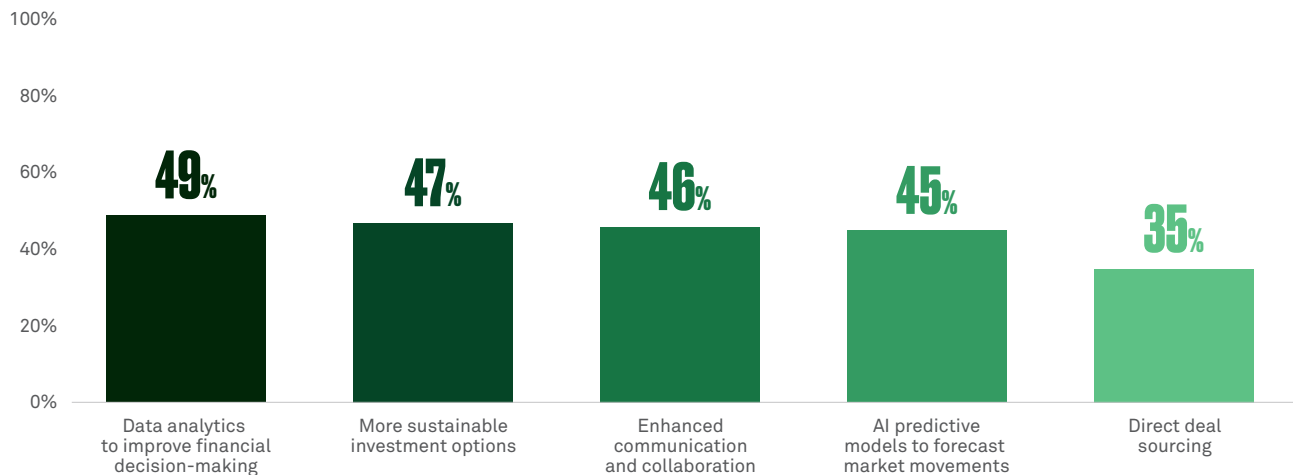
*Respondents were asked to select multiple options, hence combined percentages total over 100%.
Base: Used outside consultants.

There remains significant untapped demand among U.S. family offices for access to direct deals.

Risk management, portfolio construction and performance measurement remain the most common uses for outsourced investment services. Demand for performance measurement has recorded a significant increase compared to last year, perhaps driven by changing needs as family offices increase their allocations to private assets, whose performance can be more difficult to measure than publicly listed alternatives.

DESIRED INVESTMENT CONSULTANT SERVICES

What services would you want to see more of from your investment consultant?



*Respondents were asked to select multiple options, hence combined percentages total over 100%. Base: Used outside consultants.

While no single outsourced service stands out, we have seen a 120% jump in U.S. offices seeking direct deal sourcing. Evidently, there remains significant untapped appetite for gaining exposure to the direct investing space.

10

WHAT'S TOP OF MIND?

Family office investors are ambitious and sharply focused on expanding investment offerings as the world of investable assets grows and the landscape evolves at unprecedented speed.

Almost one-third (32%) are prioritizing expanding investment offerings, a share unchanged from last year, and a reminder that family offices are seeking out new asset classes, such as cryptocurrencies, to secure new growth levers and enhance diversification.

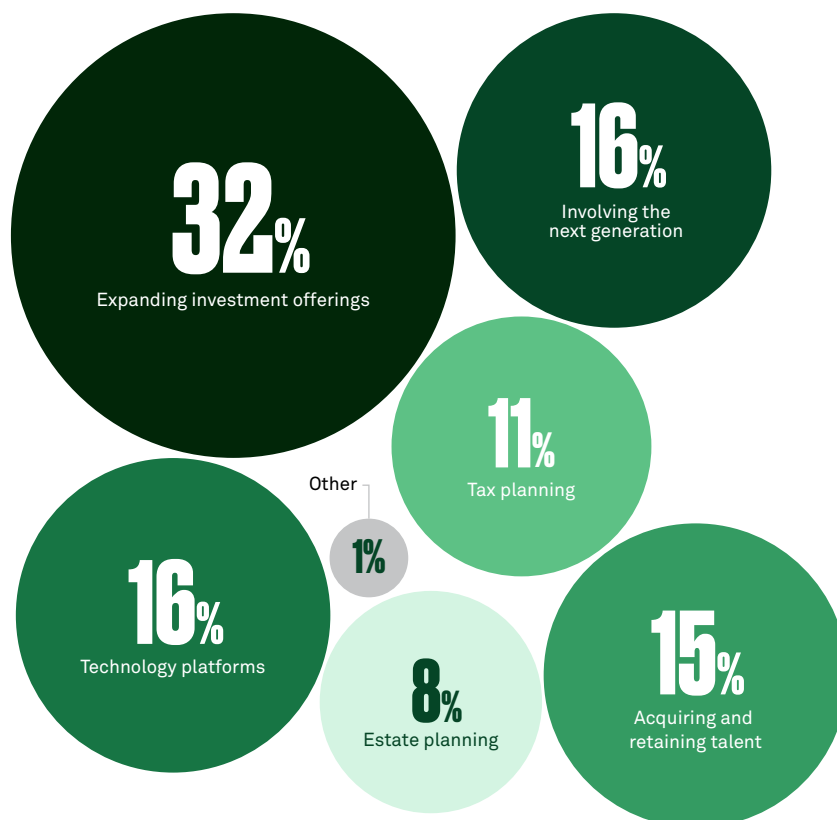
Talent acquisition and retention are a growing focus area this year, with a 50% increase over the past 12 months. This corroborates other data in the study showing that the family office sector is experiencing growing levels of staffing pressure. Talent management is shaping up to be an important agenda item for the coming 12 months.



of those with AUM more than \$1B have “expanding investment offerings” as most top of mind compared to 28% of those with AUM less than \$1B.

TOP OF MIND FOR YOUR FAMILY OFFICE

What's top of mind for your family office?



*Combined percentages may not total 100% due to rounding.

Tax-Managed Equity Gains Interest

Tax-managed equity (TME) is gaining ground, with a clear majority (63%) of U.S. family offices now reporting integrating it into their overall investment approach, a 31% increase since last year.

TME provides index-like equity returns while actively minimizing taxes through a tax-optimization process. Successful implementation involves a customized approach that is tailored to each investor's unique mandates and objectives. This can require the exclusion of certain sectors because of strategic or ethical considerations despite their presence in a benchmark index.

Some smaller family offices hesitate to integrate TME due to perceived complexity, particularly around how opportunistic loss-harvesting may negatively impact portfolio risk characteristics. Partnering with an experienced external manager can address these operational challenges. A well-structured approach strikes a balance between tax efficiency and investment discipline, enabling TME portfolio customization for each situation — all with the goal of maximizing after-tax returns.

Similar optimization techniques can also work for bond portfolios via tax-managed fixed income (TMFI) strategies. This approach involves selling a bond that has lost value, typically because of a rise in interest rates, while simultaneously buying another with similar characteristics. The realized loss can be used to offset gains within a bond portfolio or elsewhere in an investor's portfolio. Interest rate volatility is expected to remain prevalent over the coming year due to heightened uncertainty around U.S. government policies, inflation and the outlook for growth. This backdrop creates an environment that could present an opportunity for investment professionals to reduce their overall tax payment by harvesting unrealized bond losses through TMFI.

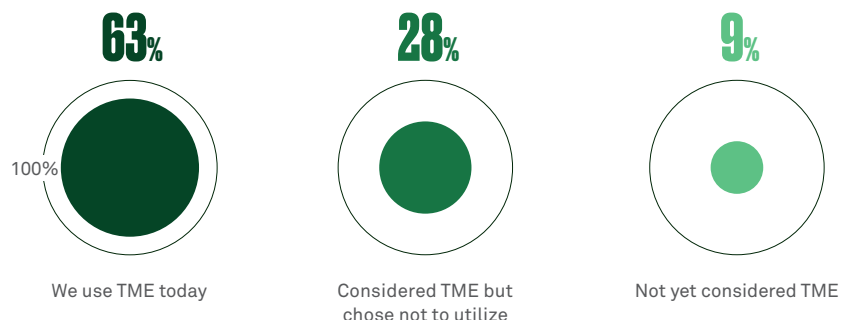
A heightened focus on tax strategy comes as U.S. investors wait to see how tax policy evolves. Tax-efficient investing is a key industry trend, with a 38% year-over-year increase in U.S. professionals who consider it extremely or very relevant.

74%

of professionals rated tax efficiency as an extremely or very relevant trend this year.

TAX-MANAGED EQUITY INTEGRATION

To what extent do you integrate Tax-Managed Equity (TME) strategies into your overall investment approach?



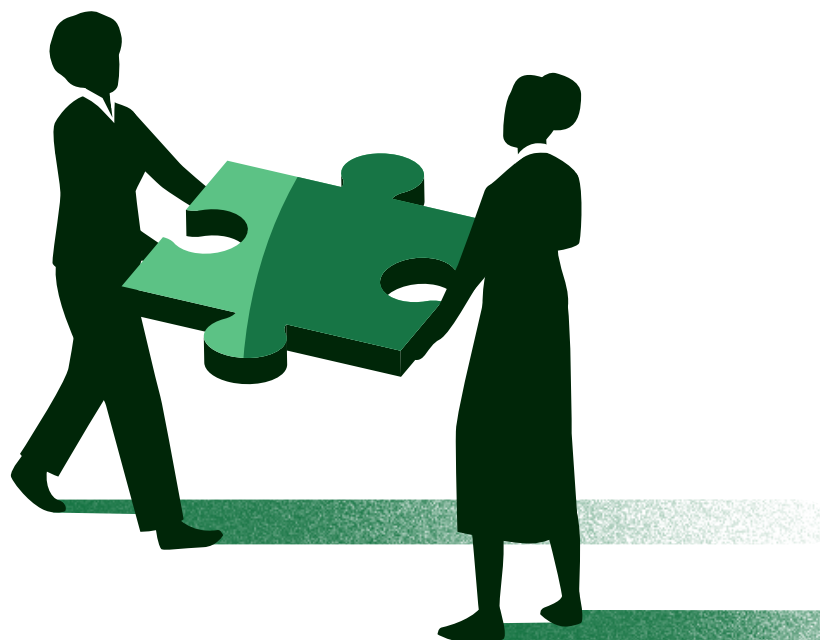
*U.S. respondents.

CONCLUSION

The 2020s are proving to be a decade of dizzying change. Transformation and disruption can be unnerving, but they also present new opportunities for family office investors.

It was a privilege to hear from the 282 distinguished family offices who participated in this year's study. We thank them for taking the time to share their industry-leading perspectives, and we hope you found their feedback as compelling as we did.

We've been partnering with our clients for centuries, and we'll continue to do so, whatever the future holds. On behalf of the entire BNY Wealth team, thank you for placing your trust in us. We are committed to earning it every day.



We have been helping clients grow wealth and secure it for future generations for over 240 years. Building on those achievements, across a span of five decades, our Global Family Office practice has become one of the largest in the world and now serves over 300 family office clients. By being a collaborative partner in the truest sense of the word, we build enduring relationships that last for generations.

To learn more, let's start a conversation.

bny.com/globalfamilyoffice

APPENDIX

Methodology & Respondent Profile

The second edition of this study was a collaborative effort between BNY Wealth and the Harris Poll. The survey design was conceptualized by BNY Wealth, while Harris Poll took charge of recruiting participants and executing the online survey. Both firms contributed to crafting the insights and findings. The statistics in this report reflect the feedback of 282 single family office respondents surveyed and they do not reflect the views of BNY. Certain outcomes may be derived from small sample sizes and should be used for directional purposes only.

Raw data were not weighted and are therefore only representative of the individuals who completed the survey.

The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within + 5.8 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

Sample Size:

282 online surveys were completed with key investment personnel at family offices of varied sizes.

NUMBER OF EMPLOYEES

1-10	79	28%
11-20	86	30%
Over 20	117	41%

Job Title

• CFO/Finance Director	32%
• CIO/Director of Investments	27%
• CEO/COO/Principal/President	21%
• Executive Director	10%
• Portfolio Manager	5%
• Vice President/Director of Operations	4%

Survey Length

- Average survey length was 15 – 20 minutes
- Field period: January 6 – February 3, 2025

Country

• U.S.	56%
• All other countries	44%

Qualifications

- Have responsibility for strategic investment and portfolio decisions
- Offices managing at least \$250 million in assets

Region

• Americas	63%
• EMEA	26%
• APAC	9%

Assets Under Management:

• Over \$5B	10%
• Between \$1B to \$4.9B	24%
• Between \$500M to \$999M	22%
• Between \$250M to \$499M	44%

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All data in this paper is as of May 2025 unless otherwise noted. It is based on sources believed to be reliable, but its accuracy is not guaranteed.

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