



UBS Global Family Office Report 2024

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Executive summary

The 2024 UBS Global Family Office Report is the most comprehensive edition yet, encompassing insights from 320 single family offices worldwide, representing an average net worth of USD 2.6 billion and covering over USD 600 billion in wealth. This year's report highlights significant shifts in strategic asset allocation, with

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notable increases in developed market fixed income allocations and declines in real estate allocations. Family offices are primarily concerned about geopolitical conflicts and climate change over the next five years.

Material Shifts in Asset Allocation

In 2023, family offices made substantial changes to their asset allocations, increasing their holdings in developed market fixed income by the largest amount in five years while reducing real estate allocations. This shift was driven by higher bond yields and active decision-making to rebalance portfolios. For 2024, fewer family offices plan to make significant changes to their asset allocations.

Risks and Concerns

Geopolitical conflict is the top concern for family offices, both in the near and medium term. While inflation and interest rates are immediate concerns, climate change and high levels of debt are seen as major risks over the next five years. Family offices are increasingly relying on active management to diversify portfolios, with high-quality short-duration fixed income being a favored asset class.

Regional Asset Allocations

Family offices maintain a strong preference for North American assets, particularly in technology-driven investments like generative AI. However, there is a regional bias, with US, European, and Swiss family offices favoring their home markets. Over the next five years, family offices plan to increase allocations to North America and Asia-Pacific, excluding Greater China.

Sustainability and Impact

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Sustainability is a growing focus for family offices, driven by the perceived risks and opportunities associated with climate change. Many family offices are seeking sophisticated information and advice to better integrate sustainability into their investment strategies. Family offices with large real estate holdings are particularly concerned with making their properties ESG-compliant.

Professionalization and Governance

There is room for further professionalization in many family offices. While most family offices perform core investment tasks in-house, they tend to outsource specialist services like legal, cybersecurity, and tax planning. Larger family offices are more likely to have comprehensive governance frameworks and documented investment processes.

Costs and Staffing

Family offices typically employ up to 10 staff members, focusing primarily on core investment and administrative tasks. Costs have risen slightly, with the average operating cost in 2023 being 39.8 basis points of assets under management. However, costs are expected to stabilize in 2024.

Conclusion

The 2024 UBS Global Family Office Report provides a detailed analysis of the trends and challenges facing family offices worldwide. From significant shifts in asset allocation to rising concerns about geopolitical risks and climate change, the report offers valuable insights for family offices looking to navigate the complexities of the current investment landscape.

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For the full report, click here: [UBS Global Family Office Report 2024](#)

Source: UBS.com