KPMG Private Enterprise

AGREUS

The 2023 Global Family Office Compensation Benchmark Report

KPMG International

kpmg.com/familyoffice

Contents

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Foreword

Family Offices, since inception, have struggled with the concept of compensation.

Coined by the family of J.P. Morgan in 1838 and popularized by the Rockefellers some four decades on, the concept of a Family Office has grown in popularity with anywhere from 3,000 to 6,000 estimated to exist across the USA today and global numbers reaching 20,000.

While the number of Family Offices has exponentially increased, the landscape itself has evolved too.

Family Offices have matured and are no longer small and intimate entities managing the extraordinary wealth of individuals and their families. Many have become institutionalized machines equipped with exceptional professionals to match.

Macroeconomic factors including the COVID-19 pandemic, conflict in Eastern Europe and Brexit have also played a part in encouraging Family Offices to consider their organizational structures and while the report goes on to explore the typical governance strategies at play, one thing they are still struggling with is how to remunerate their staff.

A Family Office requires a distinct skill set, incomparable to almost any other working environment. After all, this is an environment where it's more than just work — it's personal and it often makes the decision regarding compensation a product of guesswork and emotion rather than built on research or precedent.

To add to the pressure, most of the professionals that Family Offices search for have backgrounds in the very benchmarked environment of professional services and investment banking and are accustomed to a consistent and familiar compensation structure.

This report monitors the salaries, career history, and demographic of Family Office employees across the globe. It also identifies Assets Under Management, the asset classes they favor and how their compensation aligns with both. For the first time, the report has delved into succession planning, social mobility, and wealth transfer — looking at how many generations are typically at play within a Family Office, how many locations they operate in and what their governance structures look like. Or perhaps, the lack thereof.

Benchmark reports have been created for bonus structures, Long-Term Incentive Plans (LTIP), and ideal career trajectories into Family Office Leadership. A magnifying lens has been placed on trends specific to major Family Office hubs across the world, focusing on each at a high level and drilling down on Family Office hubs that have risen in popularity such as Singapore, Hong Kong (SAR) China and the UAE.

This report is one of the world's largest dataset on Family Office compensation and with more than 650 single Family Office professionals participating in its creation, KPMG Private Enterprise and Agreus present to you a trusted benchmark for your Family Office Compensation.

Greg Limb
Global Head Family Office and Private Client and Partner KPMG in the UK

Paul Westall
Co-Founder of Agreus

Tayyab Mohamed
Co-Founder of Agreus

2

Survey methodology and demographics

625

Family Office professionals ranging from Personal Assistants to Principals partook in an online survey. A further 25 qualitative interviews were conducted with Family Office Chief Executive Officers, Managing Directors, and Leaders in each continent. The results from both the online survey and the qualitative interviews are represented in this benchmark report.

This data was also referenced against primary data that Agreus has on an internal database, collected over a 13-year period. This includes over

1,500
Family Offices globally

3,360
Family Office contacts

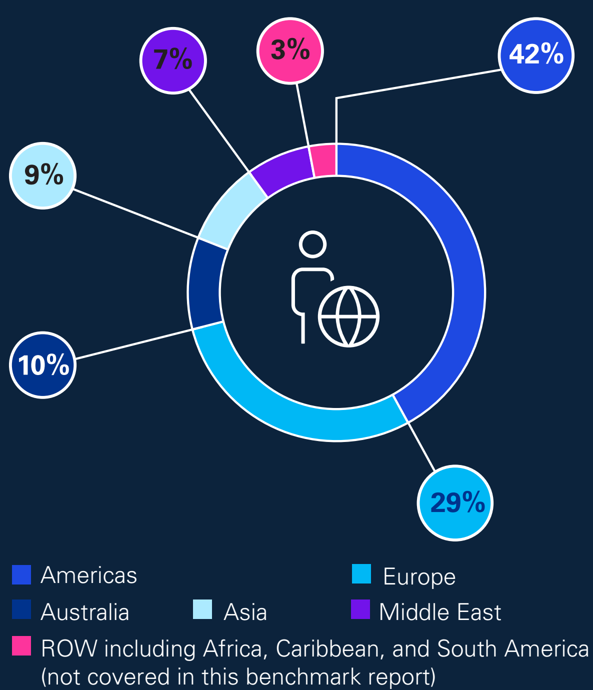
more than
7,800
registered Family Office candidates

625 **survey respondents**

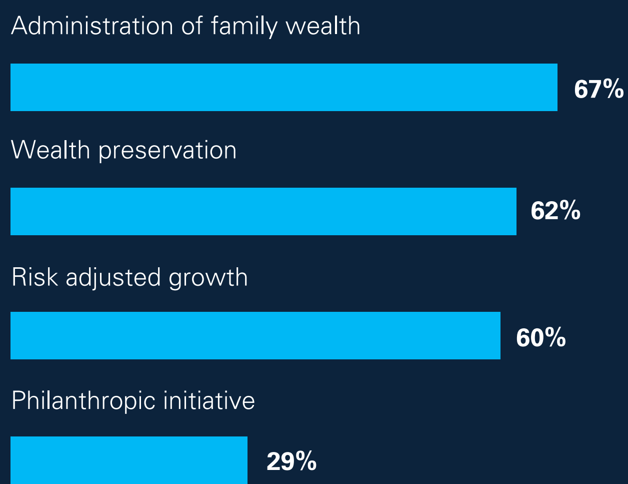
25% **of the respondents** are Family Offices that are embedded into an operating business, the remaining are stand-alone entities

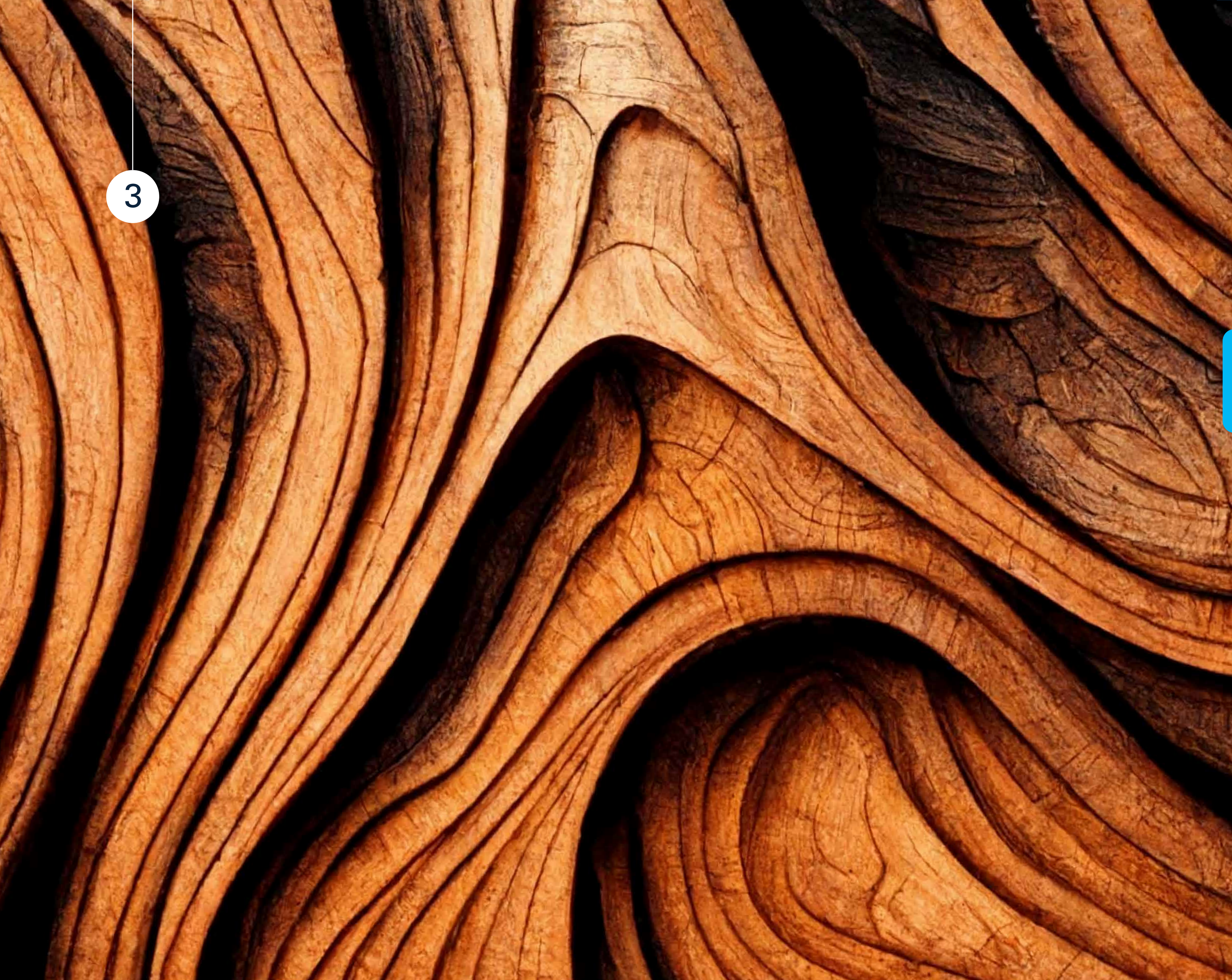
75%

Continent split



Purpose of Family Office





3

Key findings and post-pandemic

2022 was all about recovery, retention, and regulation with an objective of building up and giving back. Family Offices began to turn their attention away from the effects of macroeconomic factors and instead looked to review the affairs of the families they serve and put structures and relevant planning in place to protect their wealth in light of potential legislative changes and reputation management.

While Family Offices began to think about compensating their staff for the long term, the huge strain on talent that we witnessed in 2022 means that Family Offices will standardize their compensation, embed long term, incentive structures and professionalize their entire approach to recruitment.

To address this issue, UHNW Families are increasingly introducing employee participation schemes like profit sharing, rise in B corps and interest in employee ownership trusts, whereas on the personal side Family Offices are devising professional compensation structures that incentivize excellence and ensure longevity in their new hires. This will see the likes of carried interest, co-investment opportunities and long-term performance bonuses rise in popularity and for the first time, they will not just be offered to C-suite Family Office professionals but instead, anyone deemed critical.

On a global scale, while the world still lives with the effects of external factors such as the pandemic, Brexit and conflict overseas, Family Offices have become accustomed to operating in times of uncertainty and are quite uniformed in their approach. Plan B contingency strategies have become commonplace and so whatever 2023 and beyond throws at Family Offices, they should be able to handle it as they have done before. In KPMG firms' experience, Family Offices tend to pause, reflect, and then take action.

While the coming years could see the introduction of yet another new and exciting asset class, many Family Offices will look to diversify away from risky areas and invest in traditional, safe arenas where track records have already been achieved.

Diversifying does not always mean investing heavily in the likes of cryptocurrency but rather, decentralizing risk by spreading investments across multiple areas with precedents of high return. Crypto like many 'new' asset classes may well continue to play a very small role in Family Office portfolios but it is envisioned this shall fall into the category of fun — a small percentage for Principals to play with either for passion or simple curiosity.

Speaking of recession again and while uncertainty is still in the air, it could be argued that 2023 offers a glimmer of certainty and that is thanks to the knowledge that a recession is likely. The International Monetary Fund[1] had forecast a third of the world's economy to be hit by a recession in 2023 with the US, China and Europe all experiencing a weakening of activity. While the aftershock is yet to be experienced, Family Offices can plan for that outcome and invest cautiously with the aim of ensuring every downfall is considered an opportunity. The Private Equity (PE) space will be a particularly interesting watch as following a decline during COVID-19 and a V-shaped recovery soon after making it the most popular asset class of choice, it is now thought that PE may well benefit from a market correction. Like any other investment decision, Family Offices should approach the rest of 2023 with an educated outlook and that's something only attained by well-structured and highly capable teams.

As a result, several hundred pandemic-billionaires were crowned and countries and territories around the world began to see the potential of hosting these ultra-wealthy and professionalized families. This has led to more and more 'Family Office hubs' being added to the list, with each offering something slightly unique to the families they wished to serve. From tax incentives to co-investing opportunities, Dubai, Hong Kong (SAR), China, Singapore, Greece, India and many more international players joined the battle to become a destination of choice for Family Offices. In 2023, Hong Kong (SAR) China had already publicly revisited its Capital Investment Entrant Scheme (CIES) to keep up with an increasingly competitive Singapore and it can only be imagined what else other countries and jurisdictions have up their sleeves to attract international wealth.[2]

It is KPMG and Agreus' view that many Family Offices will not only treat 2023 as an opportunity to completely re-strategize but rather, do things right. By professionalizing family wealth, embedding long-term compensation benchmarks, retaining the right talent, and decentralizing risk, Family Offices can thrive in yet another era of uncertainty.

Finally, the pandemic put Family Offices on a platform. Family Offices showed themselves to be the single-most fluid group of investors and served as the backbone of the global economy. Some Family Offices invested in 'start-ups' to speed up the world's recovery to the virus and very much kept the world running while much of it was forced to stop.

[1] International Monetary Fund, "*World Economic Outlook*", January 30, 2023.

[2] For the text of the Budget speech (in Mandarin/Chinese and English), and related documentation and videos, see: https://www.budget.gov.hk/2023/eng/index.html.

Key findings

Uplift in salary

58% received an uplift in their salary in 2022

41% received an uplift of **6%–10%**

20% received an uplift of more than **15%**

36% of Family Office professionals received this uplift due to inflation

Assets under management (AUM)

26% of Family Offices most commonly manage **USD251M–500M**

6% manage over **USD5BN**

Hiring

41% of Family Offices expanded the size of their teams in **2022** and a further

40% plan on hiring in **2023**

Remote working

74% of Family Offices facilitate working from home

Gender

21% of all Family Office professionals identify as female

Globally

UK has the highest percentage of **female** CEOs at **37%**

According to our respondents, Asia's CEOs are **100% male**

Australia **92%** are male
USA **80%** are male
Europe it's **77%**
Middle East has a

75% male

25% female

Generations of wealth being managed

There are most commonly two generations of wealth being managed in Family Offices today (38%)

Just **10%** manage the wealth of four or more generations

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Relocating

Of Family Offices that have relocated,

40% came from **North or Central America**

28% came from **Europe** and | **12%** came from **Australia**

Cost of running

A Family Office most commonly costs

0.1%–0.5%

of AUM to run (**37%**)

Second office locations

More than 30% of Family Offices have more than one Family Office location

The most popular continents for second locations include Europe (**44%**)

UBO

Most ultimate beneficial owners oversee the running of the Family Office from a board (**27%**)

21%

sit in the position of **CEO**

LTIP

Just 23%

of Family Office professionals receive an LTIP of which the most common structure is carried interest (**44%**)

Succession plan

52%

have a succession plan in place

48%

do not

Bonuses

60% receive a discretionary bonus

26% receive a formulaic bonus

20% do not receive any type of performance bonus

13% can take home more than **100%** of their salary but the most commonly awarded bonus is **21%–30%** of salary taken home by 20% of professionals

Size of teams

Most Family Offices have less than

5 employees (31%)

but a quarter have **20 or more** (**25%**)

4

UK

UK

Key findings of Family Office CEO in the UK

27%
of CEOs are Family Members in the UK

63%
of CEOs in the UK are male

CEOs in the UK are most commonly aged between **45** and **49** years old

CEOs in the UK most commonly come from an Investment Management background **32%**

91% of CEOs in UK Family Offices are university educated

A further **32%** of CEOs in the UK have a master's degree

Family Office CEOs most commonly take home a salary of **GBP198,001–264,000**

with an additional bonus of **41%–50%** of annual salary

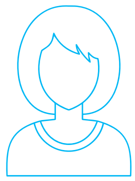
GBP — British pounds

1 2 3 4 5 6 7 8 9 10 11 12 13 14

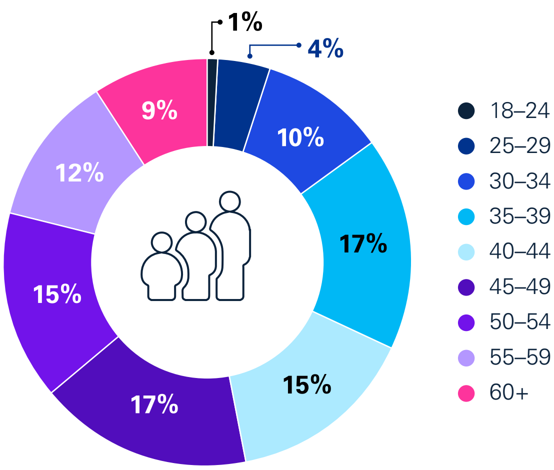
Gender

68% of all Family Office professionals in the UK are male

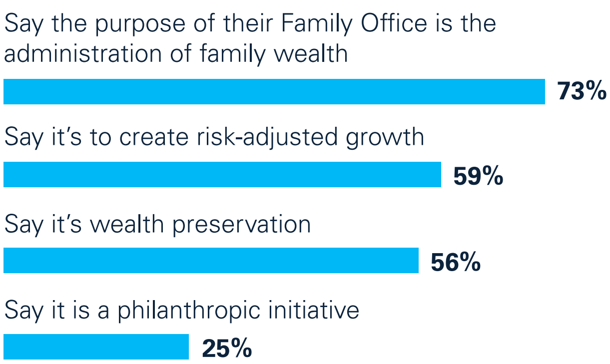
32% Female



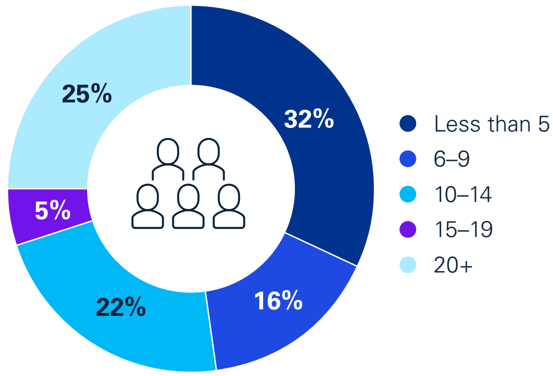
Age



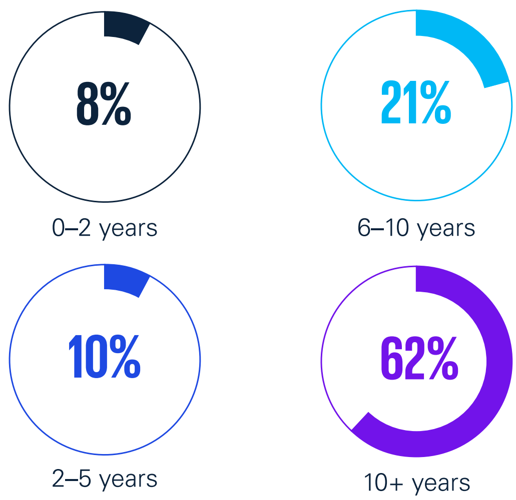
Purpose of the Family Office



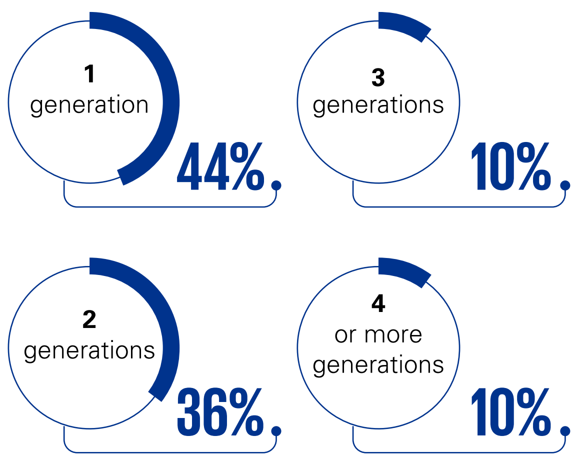
Number of employees



Years in operation



Generations of wealth being managed



1
2
3
4
5
6
7
8
9
10
11
12
13
14

85%
of Family Offices based in the UK are located in London

15%
the remaining are mostly spread across crown dependencies such as Jersey and the Isle of Man and within the UK Berkshire, Buckinghamshire, and Cambridge

45%
of UK-based Family Offices also have at least one other Family Office location of which

67% are based elsewhere in Europe

21% are based in Asia

12% are based in the Middle East

16%
of Family Offices in the UK have a succession plan in place

37%
of C-suite Family Office Leaders in the UK are targeted on cutting costs

AUM

21% Below GBP250M

16% GBP1.1BN–GBP2BN

20% GBP251M–GBP500M

21% GBP2.1BN–GBP5BN

18% GBP500M–GBP1BN

4% GBP5BN+

Role of the Ultimate Beneficial Owner

Oversees from the Board	22%
CEO	20%
Chairperson	20%
No active involvement	20%
Plays another undisclosed but formalized title	7%
Oversees from the Investment Committee	7%

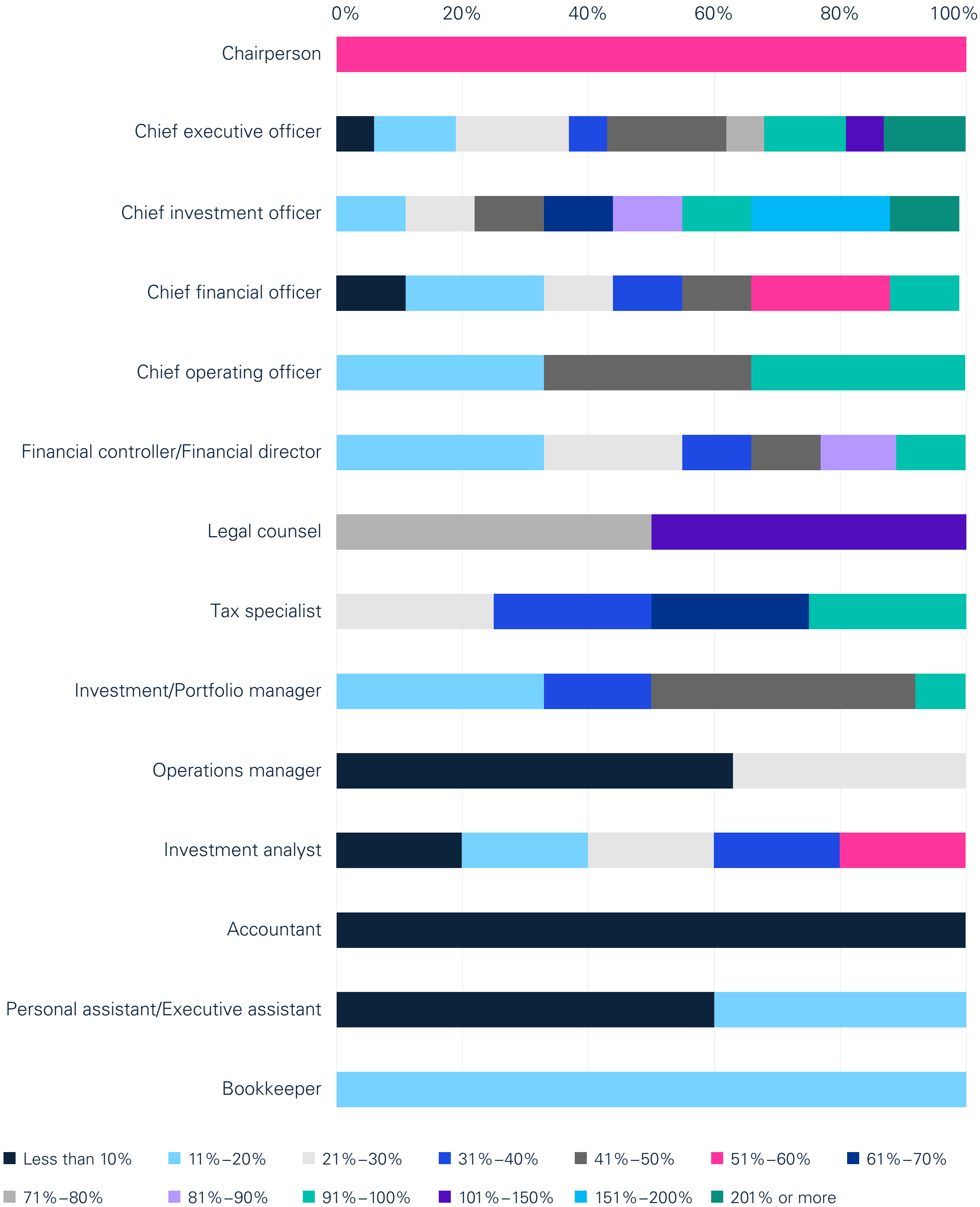
37%
It most commonly costs **0.6%–1%** of total AUM to run a Family Office in the **UK**

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Salary

Role	Less than GBP60K	GBP 60K–72K	GBP 72K–85K	GBP 85K–99K	GBP 99K–132K	GBP 132K–158K	GBP 158K–198K	GBP 198K–264K	GBP 264K–330K	GBP 330K–396K	GBP 396K–500K	GBP 500K–625K	GBP 1M+
Chairperson	0%	0%	0%	0%	**50%**	0%	0%	0%	0%	0%	**50%**	0%	0%
Chief executive officer	0%	0%	5%	5%	5%	9%	18%	**23%**	0%	9%	14%	5%	9%
Chief investment officer	0%	0%	0%	0%	9%	9%	18%	**36%**	9%	0%	9%	9%	0%
Chief financial officer	0%	0%	0%	0%	20%	30%	0%	**50%**	0%	0%	0%	0%	0%
Chief operating officer	0%	0%	0%	14%	**29%**	**29%**	14%	14%	0%	0%	0%	0%	0%
Financial controller/ Financial director	0%	20%	20%	10%	**30%**	0%	20%	0%	0%	0%	0%	0%	0%
Legal counsel	0%	0%	0%	0%	0%	0%	0%	0%	**100%**	0%	0%	0%	0%
Tax specialist	0%	0%	0%	0%	0%	**50%**	**50%**	0%	0%	0%	0%	0%	0%
Investment/ Portfolio manager	0%	8%	0%	**23%**	**23%**	15%	**23%**	8%	0%	0%	0%	0%	0%
Operations manager	22%	**34%**	22%	11%	0%	11%	0%	0%	0%	0%	0%	0%	0%
Investment analyst	0%	**40%**	20%	0%	**40%**	0%	0%	0%	0%	0%	0%	0%	0%
Accountant	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	**50%**	17%	17%	0%	17%	0%	0%	0%	0%	0%	0%	0%	0%
Bookkeeper	**50%**	**50%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Bonus



0%
20%
40%
60%
80%
100%
Chairperson
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Financial director
Legal counsel
Tax specialist
Investment/Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Bookkeeper
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
61%–70%
71%–80%
81%–90%
91%–100%
101%–150%
151%–200%
201% or more

Bonus information

74% of Family Office professionals said their salary was reviewed annually

26% said this was reviewed periodically

80% receive a bonus

20% do not

Of those who do,

86% of UK Family Office professionals receive a discretionary bonus

14% receive a formulaic bonus

62% Biggest drivers of bonuses include personal performance

34% Performance of operating business

36% Relationship with Principal

30% Overall fund performance

Other drivers listed included politics and Principal's discretion

LTIPs

Just **18%** of Family Office professionals in the UK are offered a Long-Term Incentive Plan (LTIP) of which

50% are offered co-investing opportunities

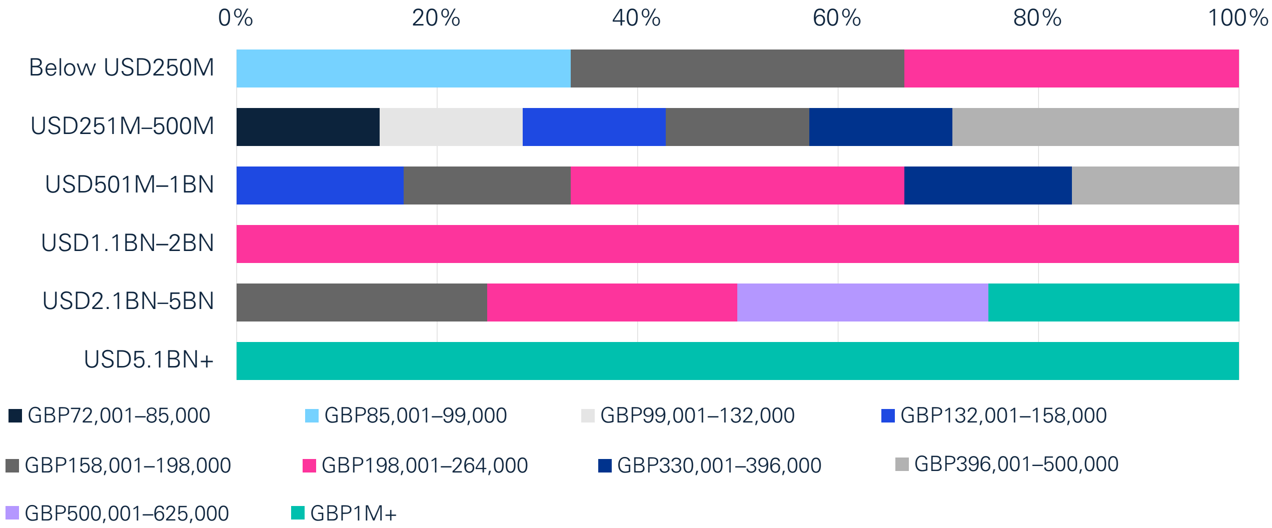
44% are offered carried interest

22% are offered stock options

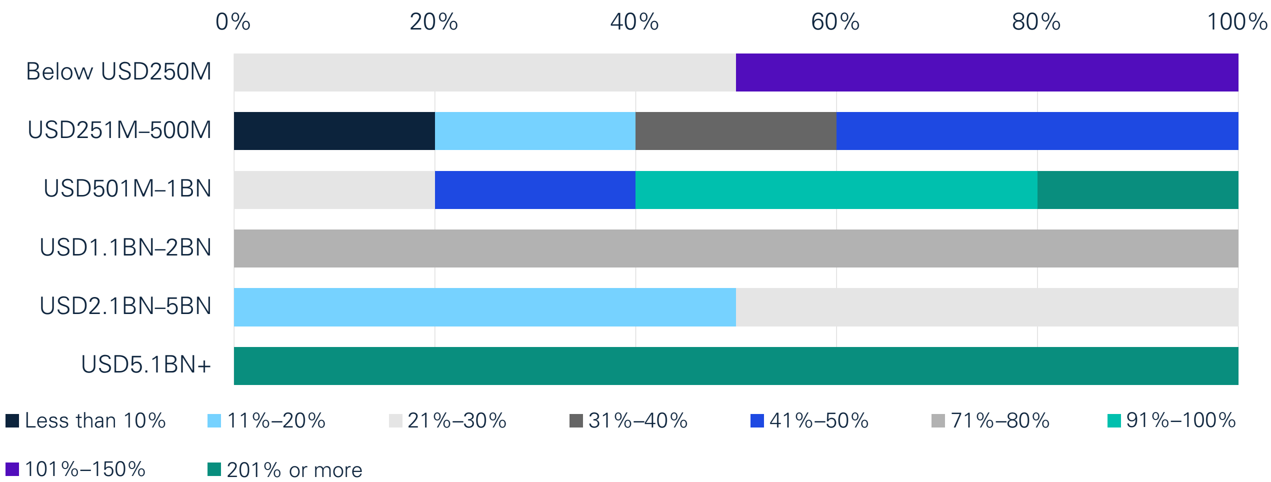
Other LTIPs offered in the UK include deferred bonuses, non-recourse loans and equity in the Family Office itself

CEO compensation against AUM

Basic Salary

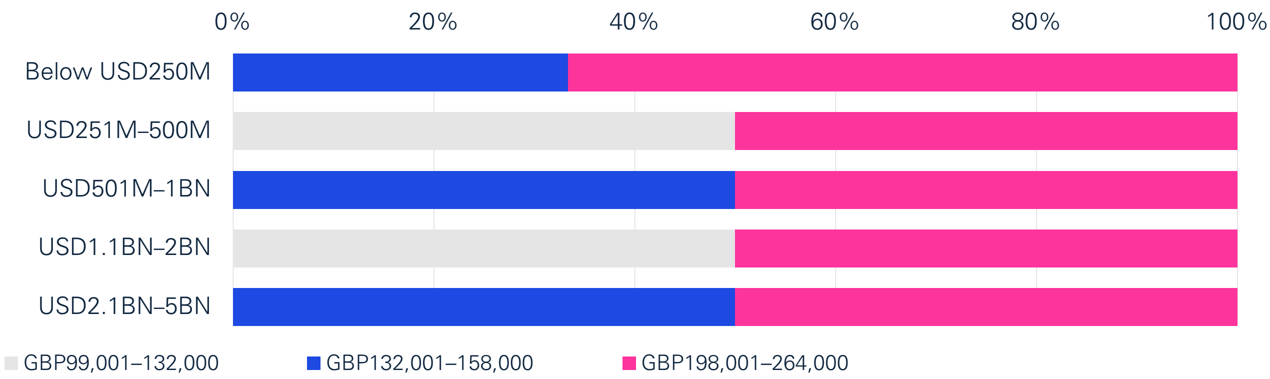


% of salary awarded as bonus

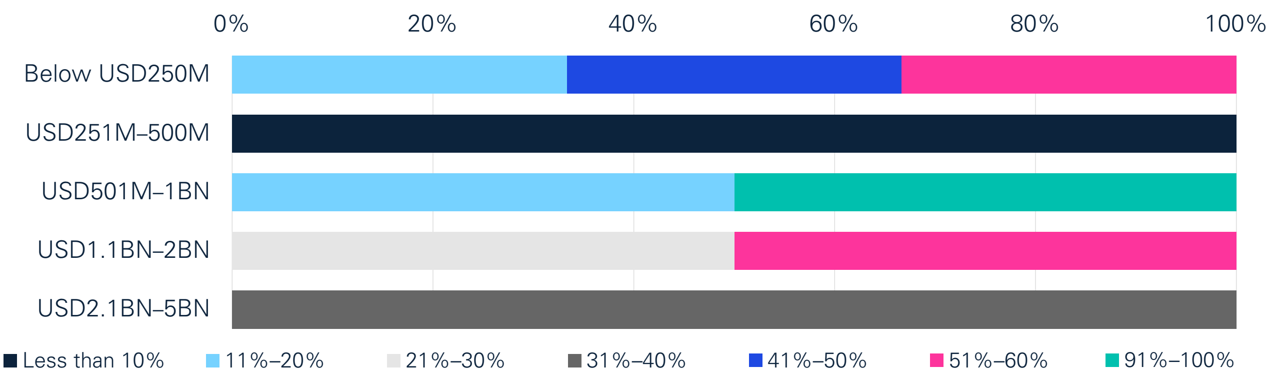


CFO compensation against AUM

Basic Salary

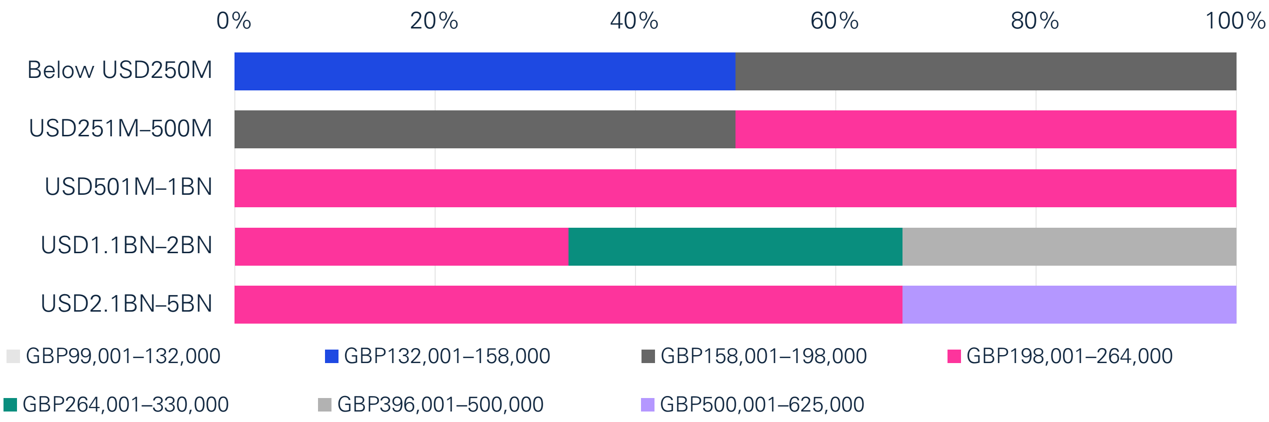


% of salary awarded as bonus

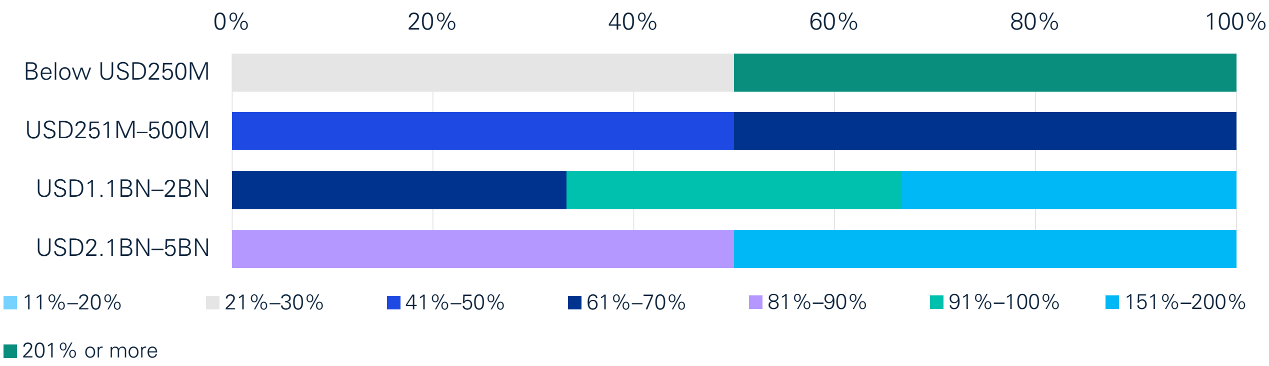


CIO compensation against AUM

Basic Salary

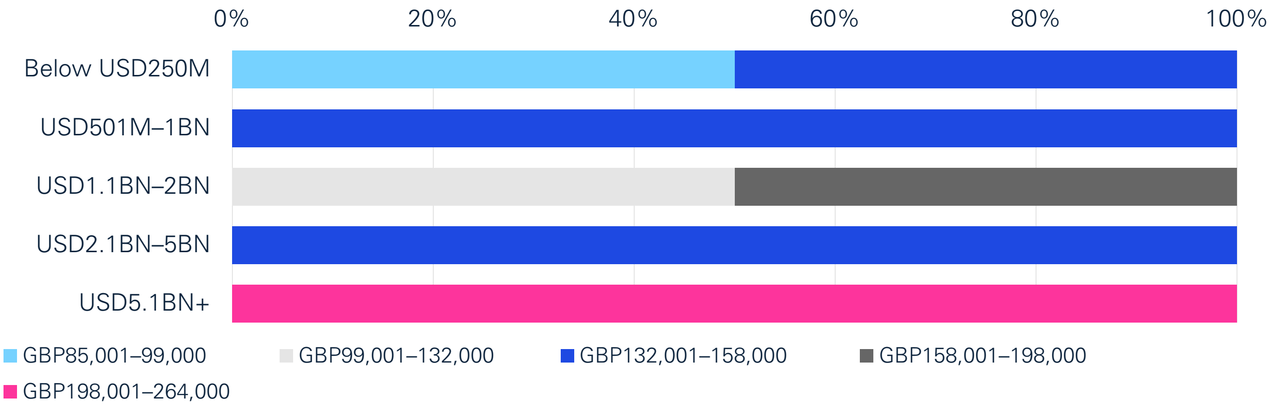


% of salary awarded as bonus

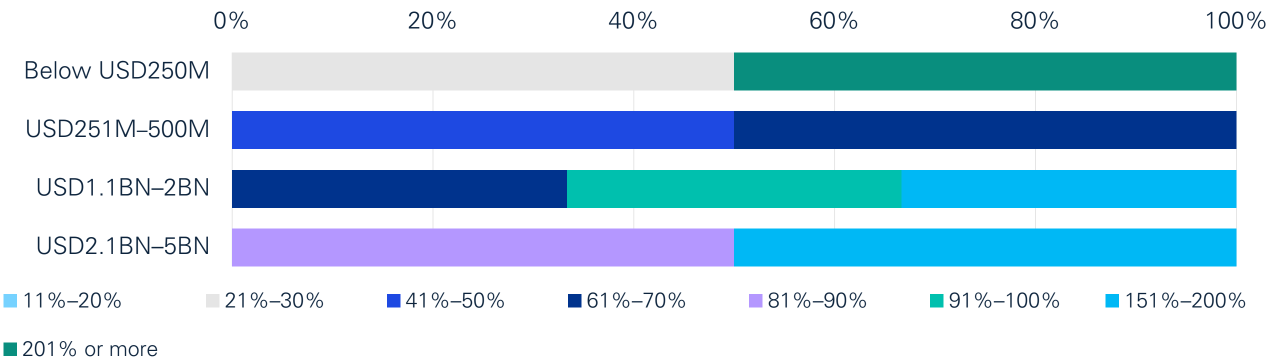


COO compensation against AUM

Basic Salary

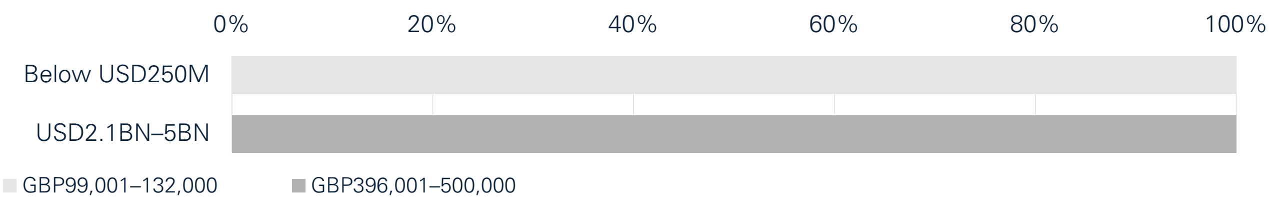


% of salary awarded as bonus

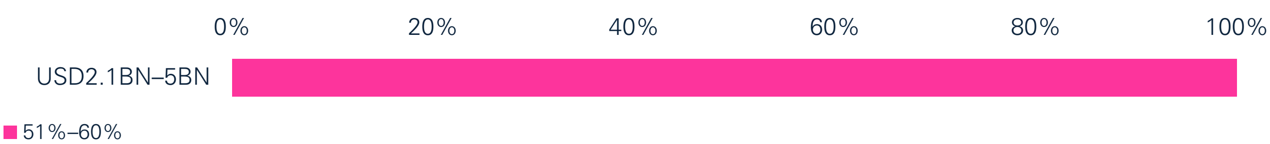


Chair compensation against AUM

Basic Salary



% of salary awarded as bonus



1 2 3 4 5 6 7 8 9 10 11 12 13 14

Benefits

Are offered private health care
77%

Are offered life insurance
44%

Are offered a travel allowance
10%

Are offered a company car
9%

Are offered a gym membership
7%

Are offered paid-for accommodation
4%

Are offered flights home
2%

Other policies in place

Have a maternity policy in place
78%

Have a paternity policy in place
65%

Have an adoption policy in place
35%

Offer sabbatical leave
22%

Offer educational leave
21%

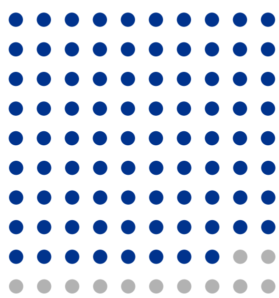
Offer stress leave
12%

Offer a vacation buy-out scheme
12%

Family Office professionals in the UK most commonly receive 25 days of annual leave

88%

receive between 25 and 30 days



70% of Family Office professionals received an uplift in their salary in 2022

the most common uplift received by

41% of these professionals was **6%–10%** of their annual salary

47% The biggest drivers behind this uplift included inflation

28% personal performance

6% who equally said it was the cost of living, in line with fund performance or due to market data

80% of Family Office professionals in the UK are allowed to work remotely

86% of Family Office professionals in the UK believe they perform a hybrid role

1 2 3 4 5 6 7 8 9 10 11 12 13 14

"London remains a hot bed for Family Offices mainly because of the quality of staff and the wide range of professional services available. It is however facing increasing competition from Singapore and United Arab Emirates (UAE) as they develop specific structures and regimes that are tailored for Family Offices, as well as creating tax incentives, in the hope of attracting professionals to their jurisdictions as well as the Family Office and family members behind the Family Office"

Greg Limb
Global Head of Family Office and Private Client, and Partner, KPMG in the UK

How important is compensation benchmarking in your Family Office? How do you benchmark your staff compensation?

"We will obviously look at comparable salaries in the industry — both the family office world and banking. However, it is not a key driver of salary levels unless we see that anyone is paid considerably below what their peers may earn elsewhere, and we will adjust their salary upwards. For the most part, we are lucky that many of our staff have been with us for many years and benchmarking becomes less important as we will be rewarding them for their service as well as their performance in any individual year and over the long term.

The key driver of bonuses is the long-term performance of the total funds under management. We have a scheme in place that calculates each individual's annual bonus dependent on the 5-year annualized performance of the total funds under management. This helps align the interests of all the staff to focus on the total group performance and not simply their area of operation. So, an investment manager mainly involved in managing public equities would have an interest on what the property manager is investing in, as it will affect their final bonus. We will still retain an element of discretion to adjust bonuses but this is more likely to adjust upwards, if someone has delivered an exceptional performance in the year by, for example, managing a specific project extremely well."

Ian Buchanan
CEO — Misland Capital

Insights from Agreus

The UK and especially London has always played a key role in catering to Family Offices. Not just the UK families, but also wealthy families from across the globe who make UK their Family Office center. The access to wealth and fund managers, banks and other financial institutions including professional services firms coupled with the availability of a competent and qualified talent pool, makes it an attractive destination for setting up a Family Office. The demand for investment talent points to the appetite of families to professionalize their entities. Focus has also shifted towards retaining the critical senior hires via sensible Long-Term Incentive Plans to align interests.

5 Europe

Europe

Key findings of Family Office CEO in Europe

26%
of CEOs are Family Members in Europe

77%
of CEOs in Europe are male

CEOs in the Europe are most commonly aged between **45** and **54**

56%

CEOs in Europe most commonly come from an Investment Management background or a Banking background with both industries acting as a foundation for an equal

28%
of CEOs in Europe

90%
of CEOs in Europe Family Offices are university educated

A further
40%
of CEOs in Europe have a master's degree

Family Office CEOs most commonly take home a salary of

EUR198,001–264,000

They also most commonly take home a bonus of **21%–30%**

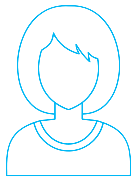
EUR — European dollar

1 2 3 4 5 6 7 8 9 10 11 12 13 14

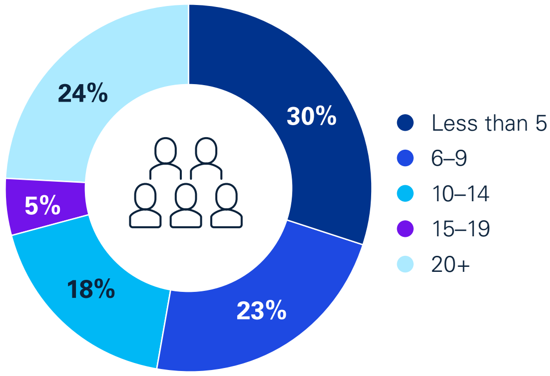
Gender

76% of all Family Office professionals in the Europe are male

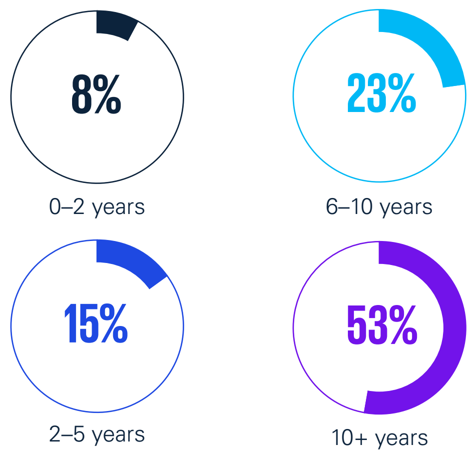
24% Female



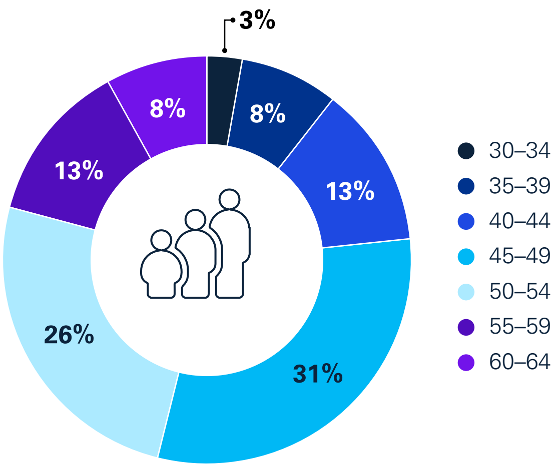
Number of employees



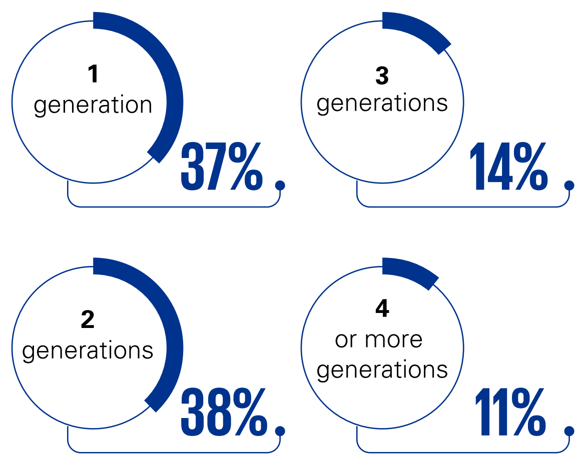
Years in operation



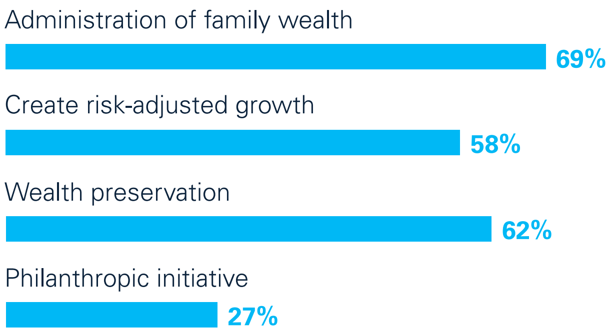
Age



Generations of wealth being managed



Purpose of the Family Office



1
2
3
4
5
6
7
8
9
10
11
12
13
14

62%
of Family Offices in surveyed Europe are located in the UK

Other popular jurisdictions include

UK	62%
Switzerland	8%
Monaco	6%
Germany	5%
Luxembourg	4%
Netherlands	4%
Belgium	3%
France	2%
Lithuania	1%
Greece	1%
Italy	1%
Sweden	1%
Ukraine	1%
Gibraltar	1%

43%
of Europe-based Family Offices also have at least one other Family Office location of which

59% are based elsewhere in Europe

14% are based in Asia

10% are based in North and Central America

10% are based in the Middle East

3% are based in Australia

1% in South America

50% of Family Offices in Europe have a succession plan in place

34% of C-suite Family Office Leaders in the Europe are targeted on cutting costs

AUM

26% Below USD250M

12% USD1.1BN–2BN

23% USD251M–500M

14% USD2.1BN–5BN

20% USD500M–1BN

5% USD5BN+

Role of the Ultimate Beneficial Owner

28% Oversees from the board

15% No active involvement

20% CEO

5% Plays another undisclosed but formalized title

22% Chairperson

10% Oversees from the Investment Committee

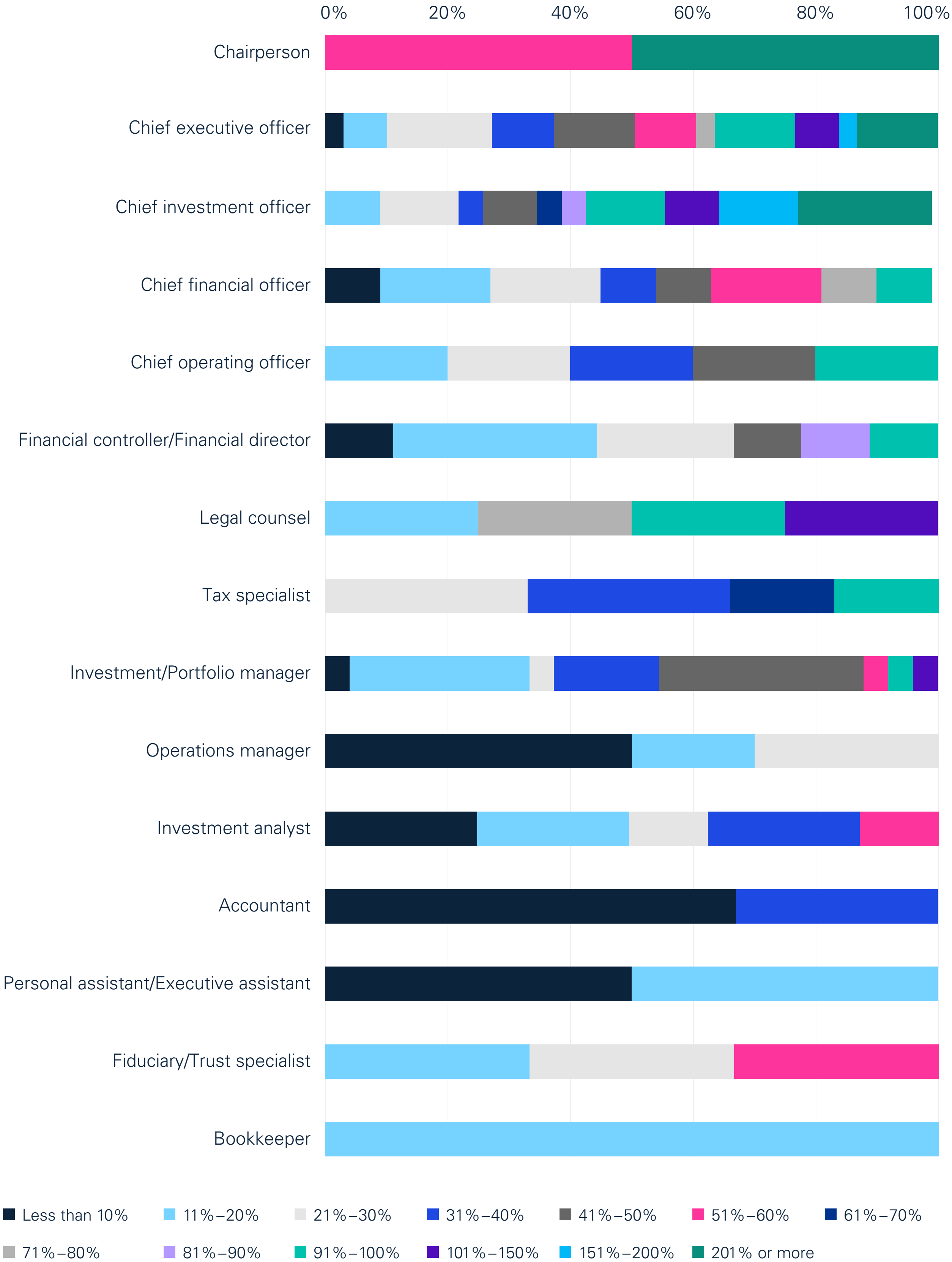
It most commonly costs **0.6%–1%** of total AUM to run a Family Office in **Europe** **40%**

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Salary

Role	Less than EUR60K	EUR 60K–72K	EUR 72K–85K	EUR 85K–99K	EUR 99K–132K	EUR 132K–158K	EUR 158K–198K	EUR 198K–264K	EUR 264K–330K	EUR 330K–396K	EUR 396K–500K	EUR 500K–625K	EUR 625K–750K	EUR 1M+
Chairperson	**50%**	0%	0%	0%	0%	**50%**	0%	0%	0%	0%	0%	0%	0%	0%
Chief executive officer	0%	0%	0%	0%	6%	0%	18%	**30%**	24%	18%	6%	0%	0%	0%
Chief investment officer	0%	0%	6%	0%	18%	0%	**29%**	12%	12%	12%	6%	0%	0%	6%
Chief financial officer	0%	0%	0%	0%	0%	0%	**40%**	**40%**	20%	0%	0%	0%	0%	0%
Chief operating officer	0%	0%	0%	0%	0%	0%	0%	**25%**	0%	**25%**	0%	**25%**	**25%**	0%
Legal counsel	0%	0%	0%	**50%**	0%	0%	0%	0%	**50%**	0%	0%	0%	0%	0%
Tax specialist	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment/ Portfolio manager	6%	0%	13%	0%	6%	**31%**	19%	13%	6%	6%	0%	0%	0%	0%
Operations manager	**33%**	0%	0%	**33%**	**33%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment analyst	**40%**	20%	0%	0%	20%	0%	20%	0%	0%	0%	0%	0%	0%	0%
Accountant	0%	0%	0%	0%	**50%**	0%	**50%**	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	0%	**40%**	10%	10%	**40%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fiduciary/ Trust specialist	0%	0%	0%	0%	**67%**	0%	33%	0%	0%	0%	0%	0%	0%	0%

Bonus



0%
20%
40%
60%
80%
100%
Chairperson
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Financial director
Legal counsel
Tax specialist
Investment/Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Fiduciary/Trust specialist
Bookkeeper
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
61%–70%
71%–80%
81%–90%
91%–100%
101%–150%
151%–200%
201% or more

Bonus information

68% of Family Office professionals said their salary was reviewed annually

22% reviewed periodically

10% not reviewed regularly

83% receive a bonus

17% do not

Of those who do,

76% of European Family Office professionals receive a discretionary bonus

24% receive a formulaic bonus

Biggest drivers behind bonuses include

Relationship with Principal 26%

Performance of operating business 29%

Overall fund performance 35%

Other drivers listed included politics and Principal's discretion

LTIPs

19% of Family Office professionals in Europe are offered a Long-Term Incentive Plan (LTIP) of which

55% are offered carried interest

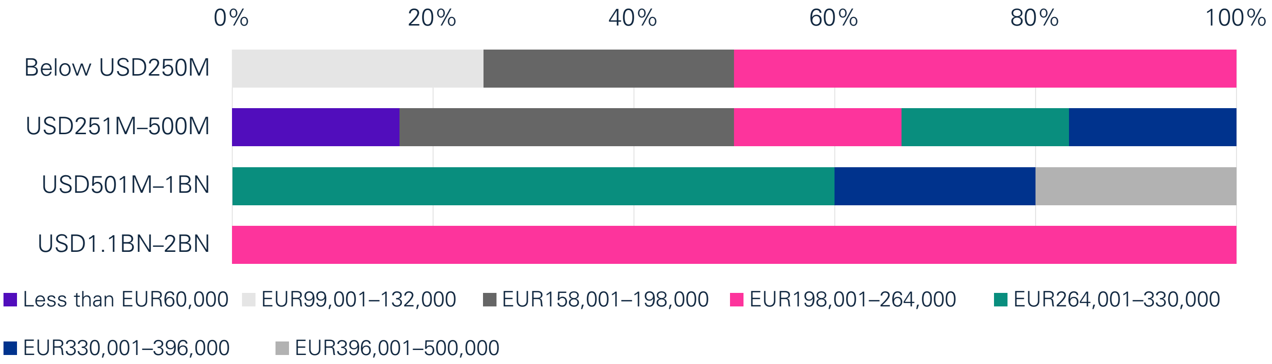
39% are offered co-investing opportunities

24% are offered stock options

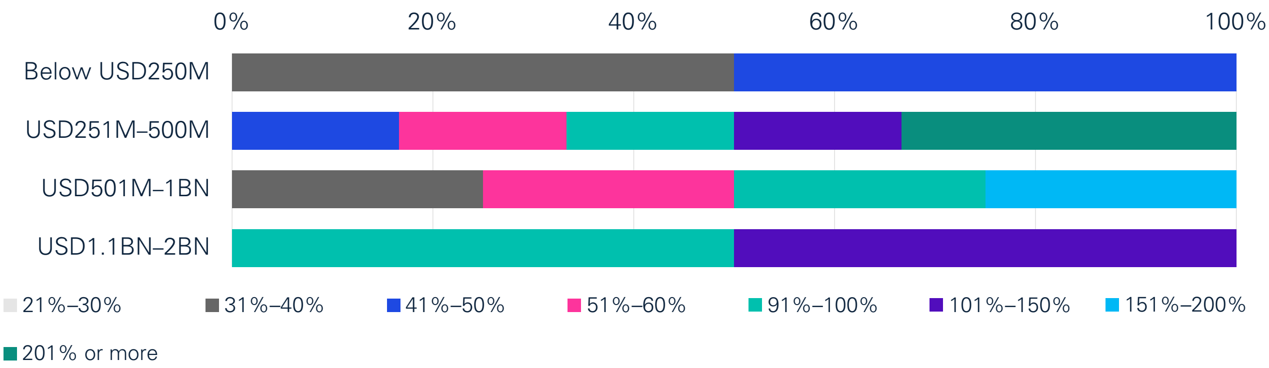
1 2 3 4 5 6 7 8 9 10 11 12 13 14

CEO compensation against AUM

Basic Salary

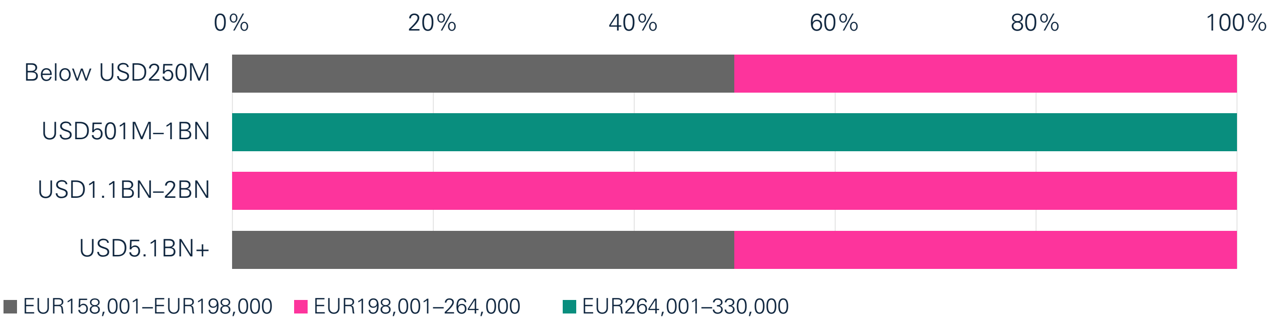


% of salary awarded as bonus

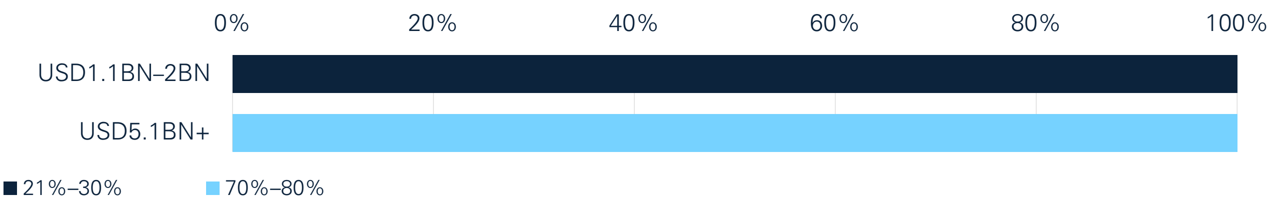


CFO compensation against AUM

Basic Salary

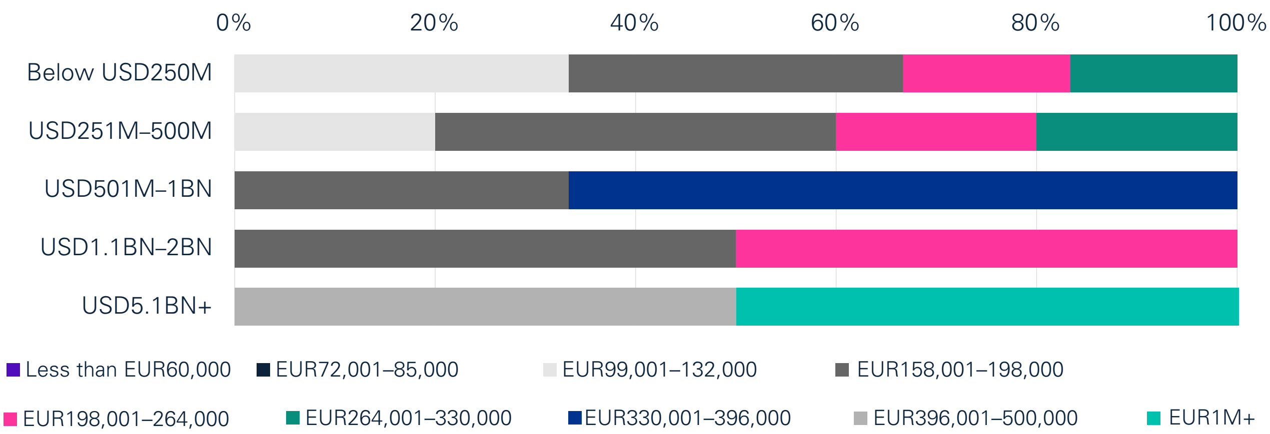


% of salary awarded as bonus

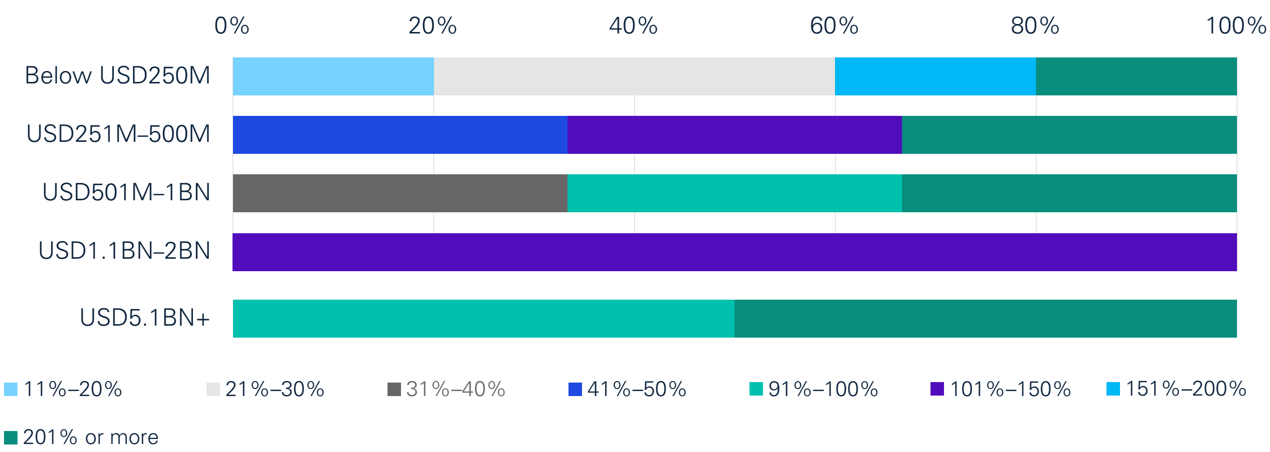


CIO compensation against AUM

Basic Salary

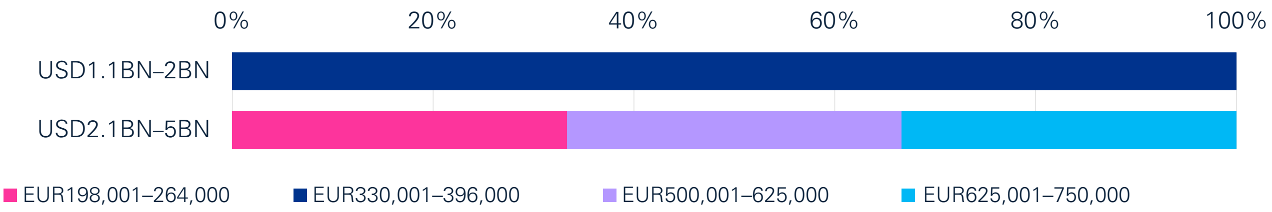


% of salary awarded as bonus

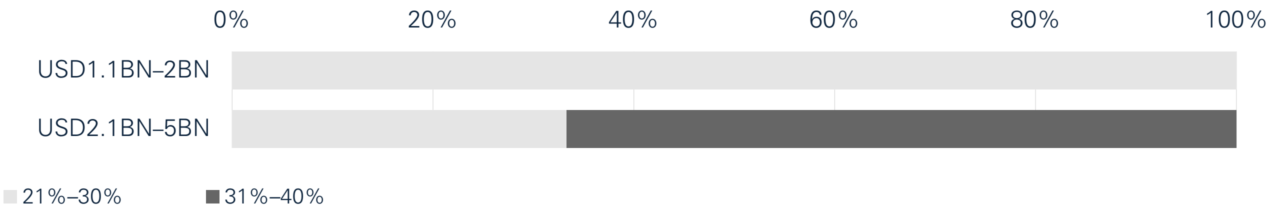


COO compensation against AUM

Basic Salary

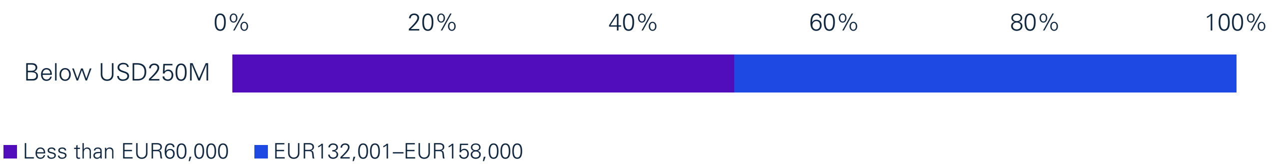


% of salary awarded as bonus

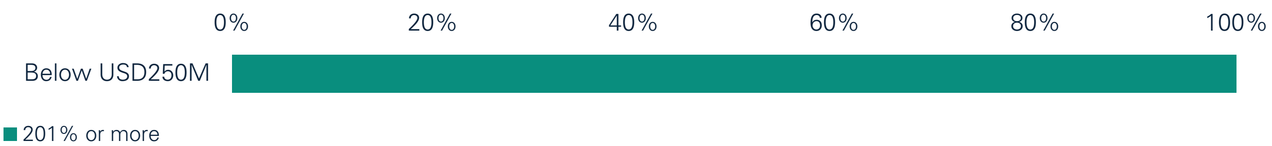


Chair compensation against AUM

Basic Salary



% of salary awarded as bonus



Benefits

Are offered private health care
63%

Are offered a travel allowance
34%

Are offered a company car
16%

Are offered a gym membership
8%

Are offered paid-for accommodation
5%

Are offered flights home
3%

Are offered a pension scheme
52%

Other policies in place

Have a maternity policy in place
66%

Have a paternity policy in place
53%

Have an adoption policy in place
24%

Offer sabbatical leave
16%

Offer educational leave
25%

Offer stress leave
9%

Family Office professionals in Europe most commonly receive 25 days of annual leave **(41%)**

62% of Family Office professionals received an uplift in their salary in 2022

The most common uplift received by **39%** of these professionals was **6%–10%** of their annual salary

53% The biggest drivers behind this uplift included inflation

36% personal performance

6% who said it was market-data and another

6% who said it was in line with overall business performance

81% of Family Office professionals in Europe are allowed to work remotely

11% of which work from home full-time

79% of Family Office professionals in Europe believe they perform a hybrid role

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Switzerland is a popular Family Office destination. This is due to a number of reasons: first of all, the very important concentration of professionals in the finance industry, who are very experienced in assisting families who have a global footprint, from asset managers to lawyers, tax advisors, trustees, accountants, etc. This is the result of Switzerland being one of the world's leading private-banking sectors. A number of wealthy families also have a base in Switzerland and find it convenient to have their Family Office located there. They particularly value the outstanding infrastructure, stability and secured environment that Switzerland has to offer.

Hugues Salomé
Partner
KPMG in Switzerland

How is the compensation process handled at your Family Office and what role does leadership play in the process?

As the CEO, I play multiple roles within the Family Office. It's a mixture of investment advisory, strategic implementation, reporting, making sure the family is well informed of the operation of the Family Office, wealth planning and psychology.

"In terms of compensation, we practice a top-down approach and refer to the regular reports released by the global financial institutions, as they have a large base of SFO clients and release data of FOs with comparative AUMs to our Family Office. The first benchmarking exercise we do is to ensure that our staff cost align with the benchmarks in the reports, normally 10 basis points and 1 percent of the AUM.

We also submit the salary grid to our board of directors every year for review. The directors all come from benchmarked industries or similar roles in big corporations and can provide valuable insights.

CEO of a European Family Office based in Switzerland

Insights from Agreus

Outside of the USA, Europe perhaps collectively houses some of the oldest established Family Offices in the world. European hubs such as Switzerland, Germany, Italy and Spain are home to substantial family-owned businesses that are creating phenomenal wealth. Perhaps the biggest concentration of professionalized Family Offices remains in Switzerland. Interestingly, a vast majority of Family Offices in Europe were set up post-millennium and almost half of those were set up after 2010. Despite Europe lagging in economic growth in recent years, it is home to a quarter of the world's billionaires. Inflation and succession are still some of the bigger concerns for families in the region. The last two years since the pandemic have been mainly about recovery and investing sensibly. Investments across private asset classes have been extremely popular and helped families see double-digit returns until recently. Hubs like Switzerland and Germany have sophisticated ecosystems and pools of talent enabling Family Offices in the region to professionalize. European Family Office hubs however do face threats from the newer hubs such as Dubai and Singapore, which continue to proactively attract a growing number of Family Offices.

6 USA

USA

Key findings of Family Office CEO in the USA

10%

of CEOs are family members in the USA (lowest globally)

87%

of CEOs in the USA are male

CEOs in the USA are most commonly aged between **50** and **59** years old

CEOs in the USA most commonly come from an investment management background **48%**

100%

of CEOs in USA Family Offices are university educated

A further **33%** of CEOs in the USA have a master's degree and another **17%** have a Doctorate

---

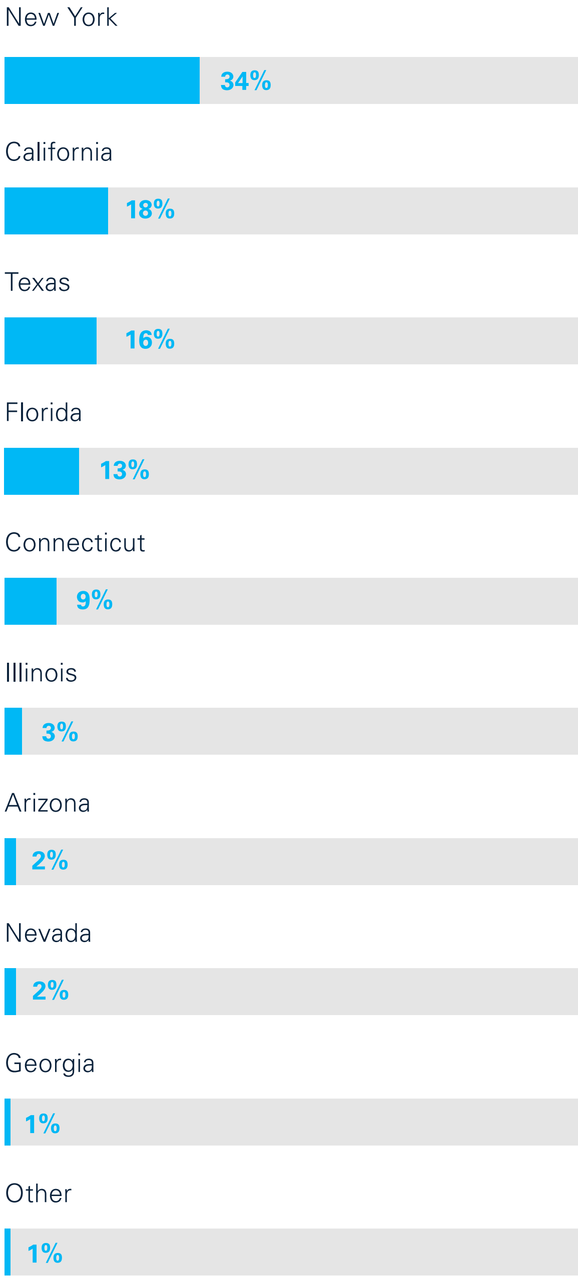
Family Office CEOs in the USA most commonly take home a salary of **USD264,001–330,000** the highest globally with an additional bonus of **21%–30%** of annual salary

---

USD — US dollar

1 2 3 4 5 6 7 8 9 10 11 12 13 14

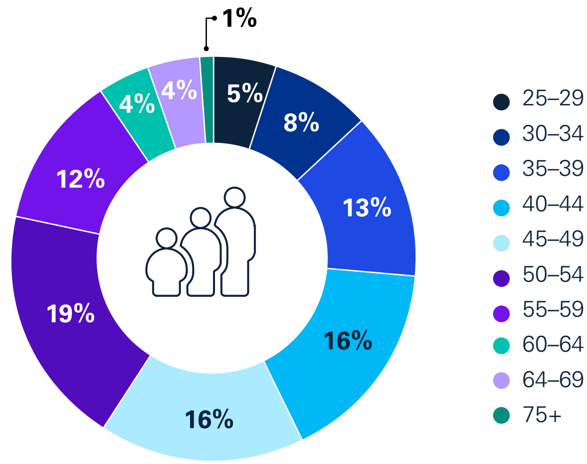
Top Locations for Family Offices within the USA



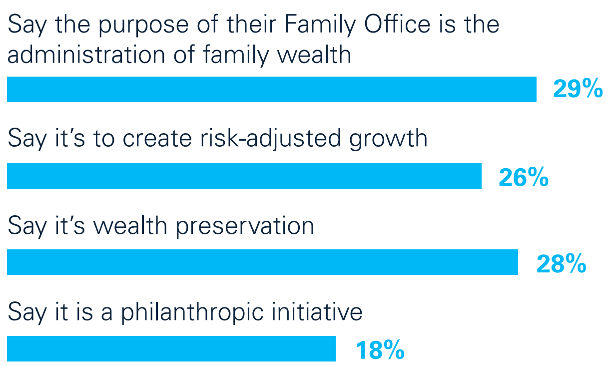
Gender

74% of all Family Office professionals in the USA are male

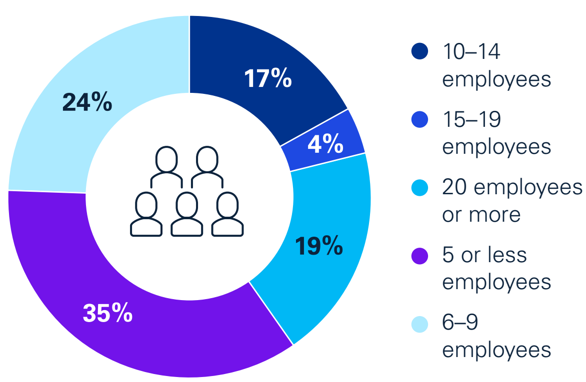
Age



Purpose of the Family Office



Number of employees



1 2 3 4 5 6 7 8 9 10 11 12 13 14

Years in operation

- 8% — 0–2 years
- 13% — 6–10 years
- 16% — 2–5 years
- 63% — 10+ years

Generations of wealth being managed

- 1 generation — 22%
- 3 generations — 30%
- 2 generations — 30%
- 4 or more generations — 18%

46% of Family Offices in the USA have a succession plan in place

AUM

- 17% — Below USD250M
- 22% — USD1.1BN–2BN
- 23% — USD251M–500M
- 13% — USD2.1BN–5BN
- 13% — USD501M–1BN
- 12% — USD5.1BN+

Role of the Ultimate Beneficial Owner

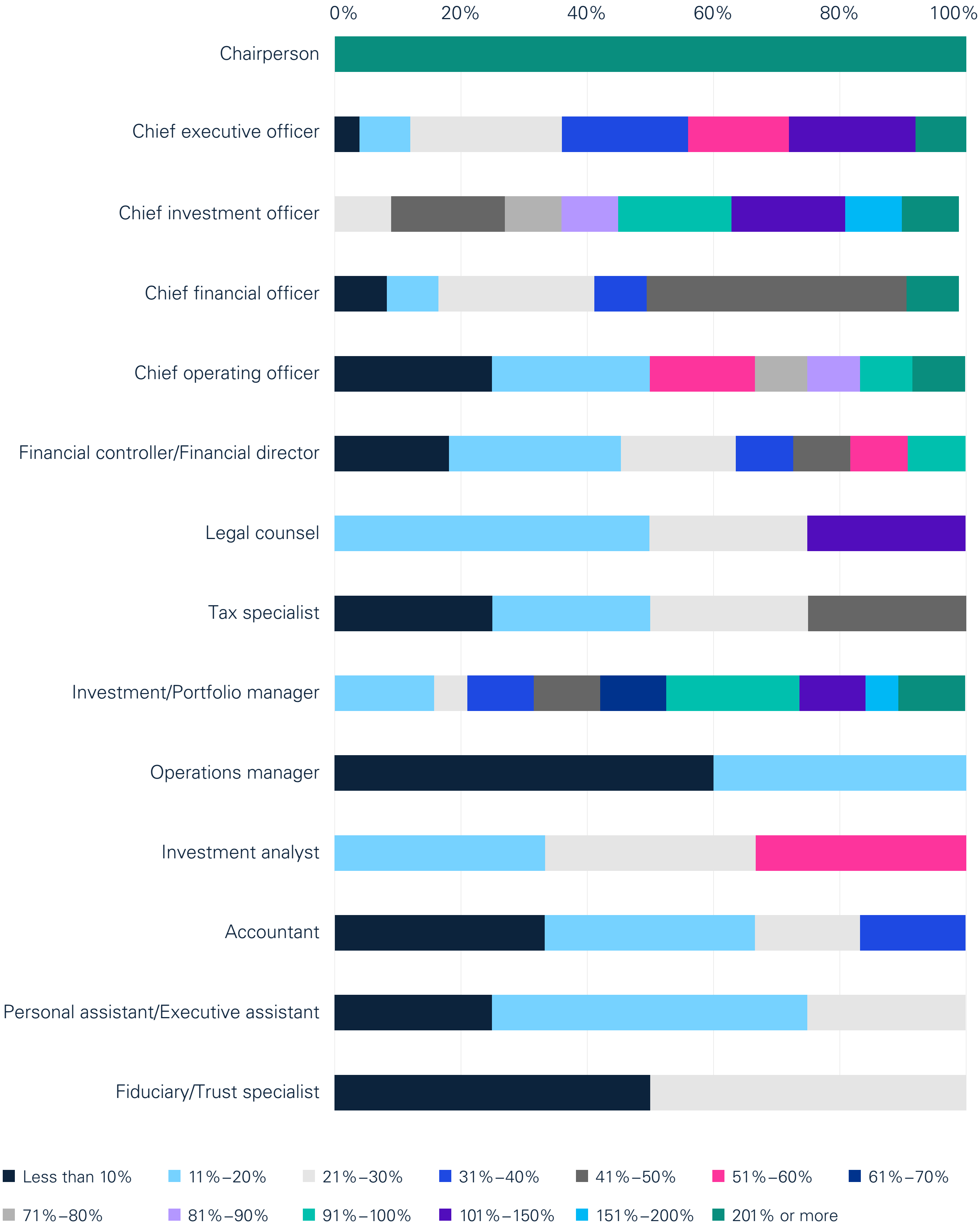
- Acting CEO — 24%
- Acting Chairperson — 24%
- No active involvement in the Family Office — 15%
- Oversees the Family Office from a board — 28%
- Oversees the Family Office from an investment committee — 9%

It most commonly costs **0.1%–0.5%** of total AUM to run a Family Office in the **USA** — **42%**

Salary

Role	Less than USD 60K	USD 72K–85K	USD 85K–99K	USD 99K–132K	USD 132K–158K	USD 158K–198K	USD 198K–264K	USD 264K–330K	USD 330K–396K	USD 396K–500K	USD 500K–625K	USD 625K–750K	USD 750K–850K	USD 875K–1M	USD 1M+
Chairperson	0%	0%	0%	14%	14%	0%	0%	14%	**29%**	0%	14%	14%	0%	0%	0%
Chief executive officer	0%	0%	0%	0%	0%	13%	13%	**17%**	7%	10%	10%	7%	7%	3%	13%
Chief investment officer	0%	0%	0%	0%	0%	0%	8%	15%	15%	15%	0%	0%	8%	0%	**39%**
Chief financial officer	0%	0%	0%	0%	0%	8%	**23%**	8%	15%	23%	0%	15%	0%	0%	8%
Chief operating officer	0%	0%	0%	0%	0%	17%	**33%**	17%	8%	0%	17%	0%	0%	8%	0%
Financial controller/ Financial director	0%	0%	9%	0%	9%	27%	**36%**	10%	0%	9%	0%	0%	0%	0%	0%
Legal counsel	0%	0%	0%	0%	**25%**	**25%**	**25%**	**25%**	0%	0%	0%	0%	0%	0%	0%
Tax specialist	0%	0%	0%	0%	0%	**25%**	**25%**	**25%**	0%	**25%**	0%	0%	0%	0%	0%
Investment/ Portfolio manager	0%	0%	4%	5%	0%	14%	**45%**	9%	9%	5%	0%	0%	0%	5%	5%
Operations manager	14%	14%	0%	15%	14%	**29%**	14%	0%	0%	0%	0%	0%	0%	0%	0%
Investment analyst	0%	0%	0%	**25%**	**25%**	**25%**	0%	0%	0%	0%	**25%**	0%	0%	0%	0%
Accountant	0%	17%	17%	**33%**	**33%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	0%	**20%**	**20%**	**20%**	**20%**	**20%**	0%	0%	0%	0%	0%	0%	0%	0%	0%

Bonus



0%
20%
40%
60%
80%
100%
Chairperson
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Financial director
Legal counsel
Tax specialist
Investment/Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Fiduciary/Trust specialist
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
61%–70%
71%–80%
81%–90%
91%–100%
101%–150%
151%–200%
201% or more

Bonus information

80% of Family Office professionals said their salary was reviewed annually

14% said this was reviewed periodically

6% said their salary was never reviewed

87% receive a performance bonus, 13% do not

72% of US-based Family Office professionals receive a discretionary bonus

28% receive a formulaic bonus

Biggest drivers of bonuses include
Personal performance **62%**

Relationship with Principal **36%**

Performance of operating business **34%**

Overall fund performance **30%**

Other drivers listed included politics and Principal's discretion

LTIPs

34% of Family Office professionals in the USA are offered a Long-Term Incentive Plan (LTIP)

38% of which are offered co-investing opportunities

38% are offered carried interest

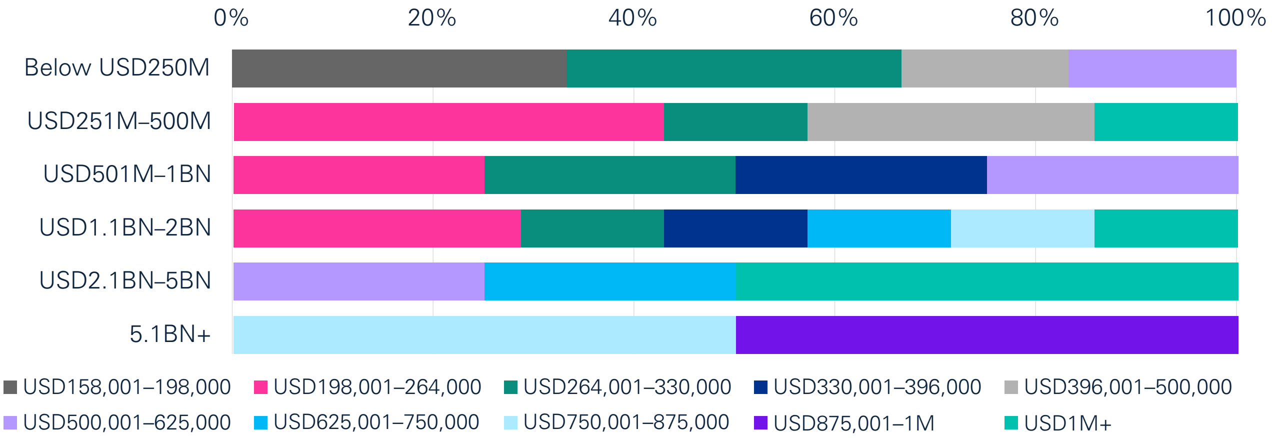
13% are offered non-recourse loans

5% are offered recourse loans

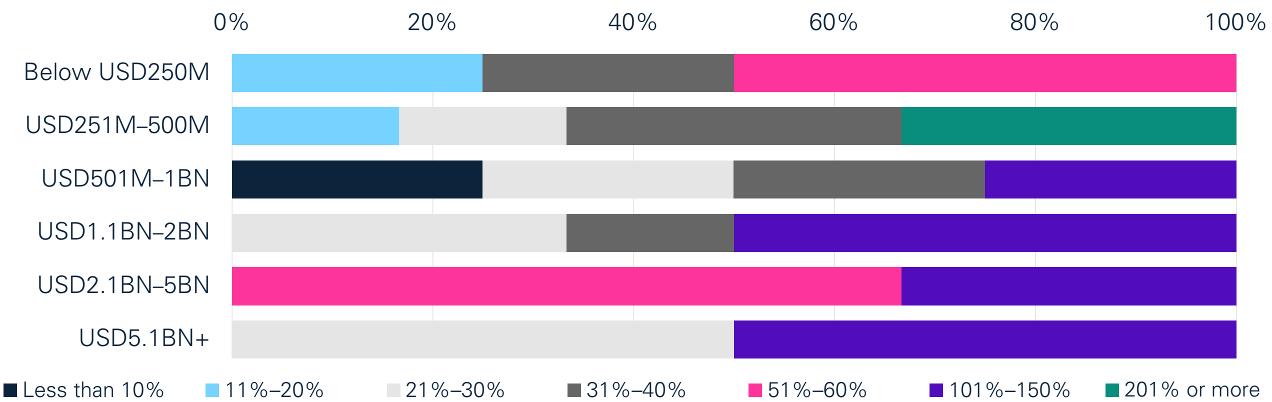
5% are offered stock options

CEO compensation against AUM

Basic Salary

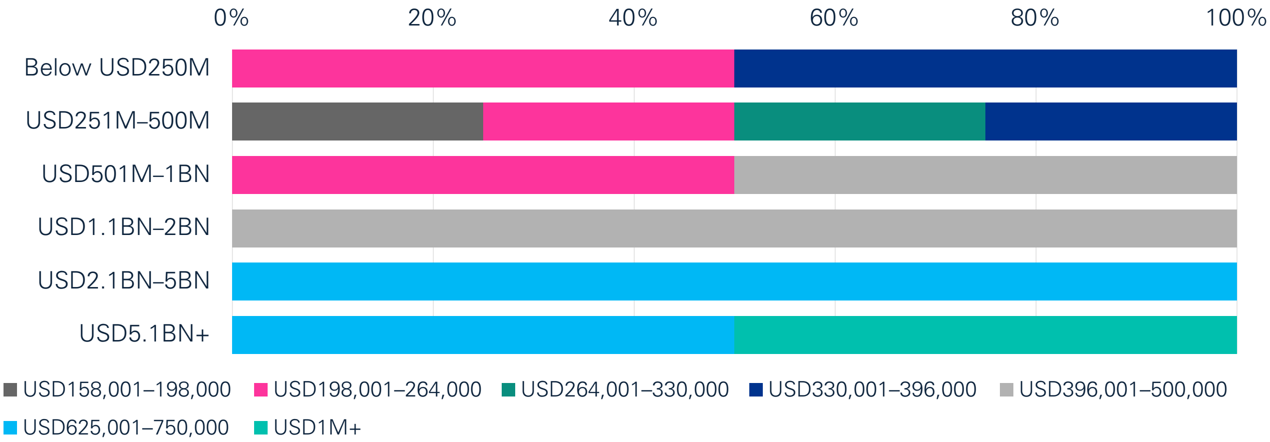


% of salary awarded as bonus

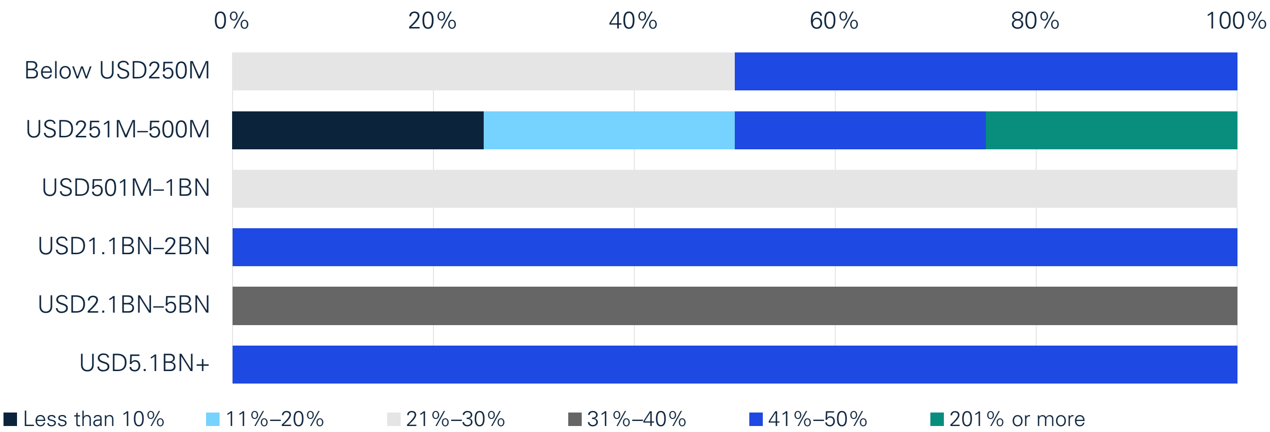


CFO compensation against AUM

Basic Salary

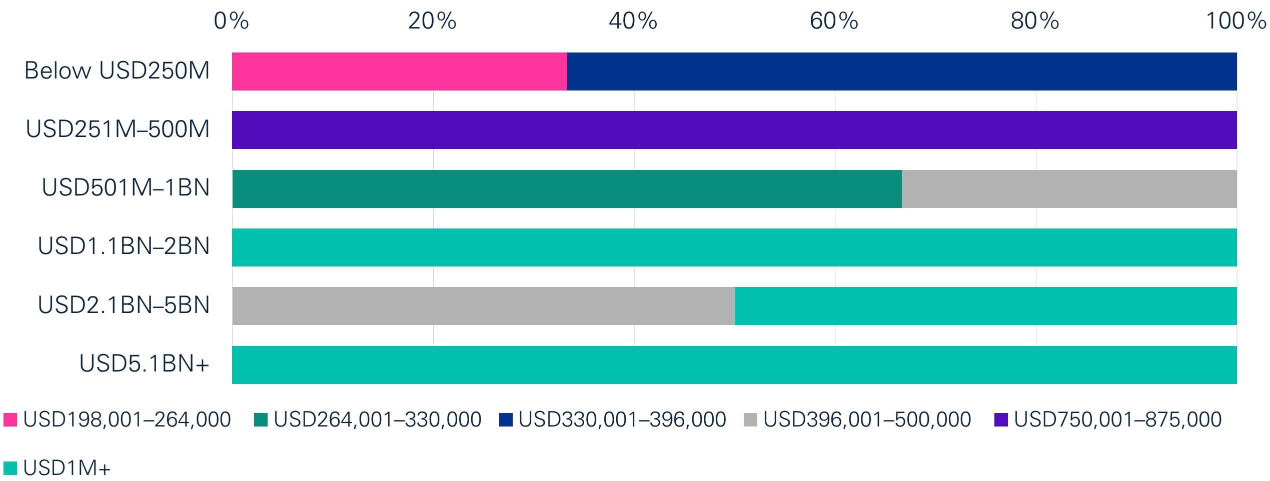


% of salary awarded as bonus

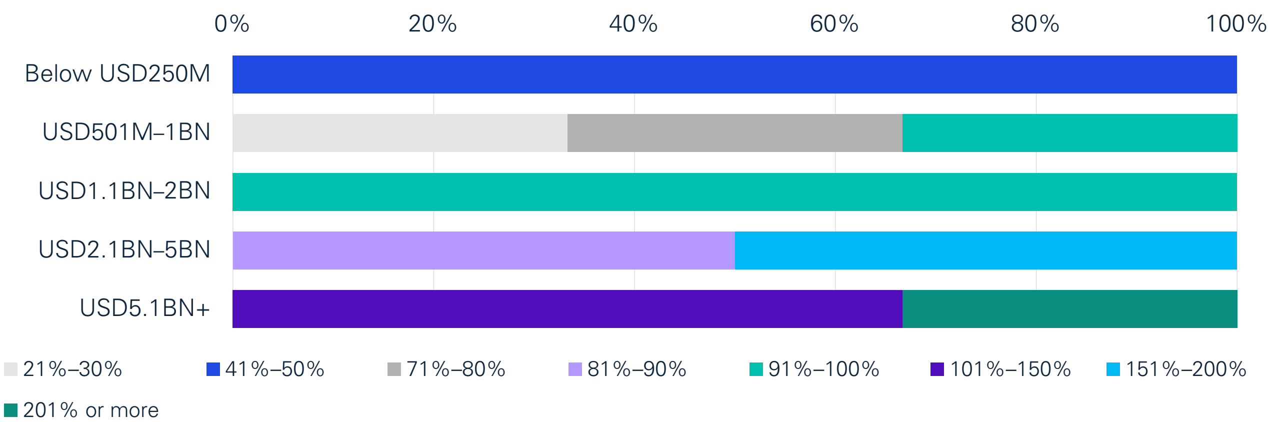


CIO AUM compensation against AUM

Basic Salary



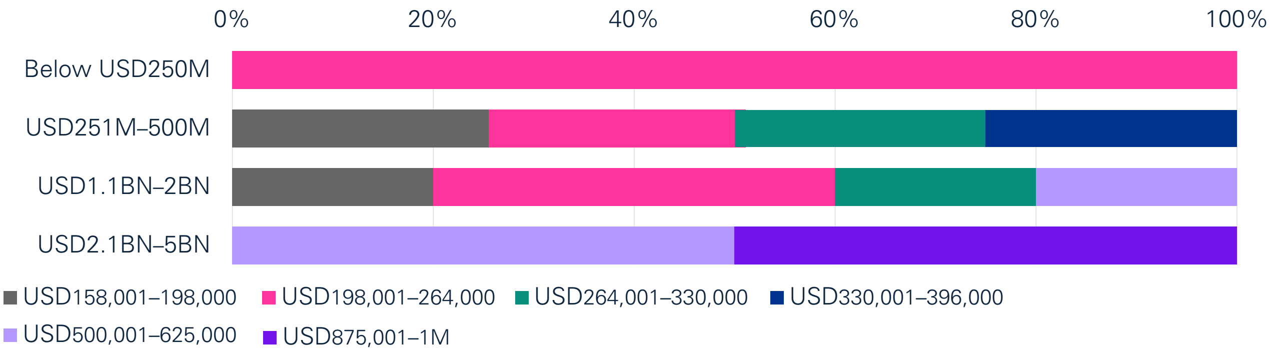
% of salary awarded as bonus



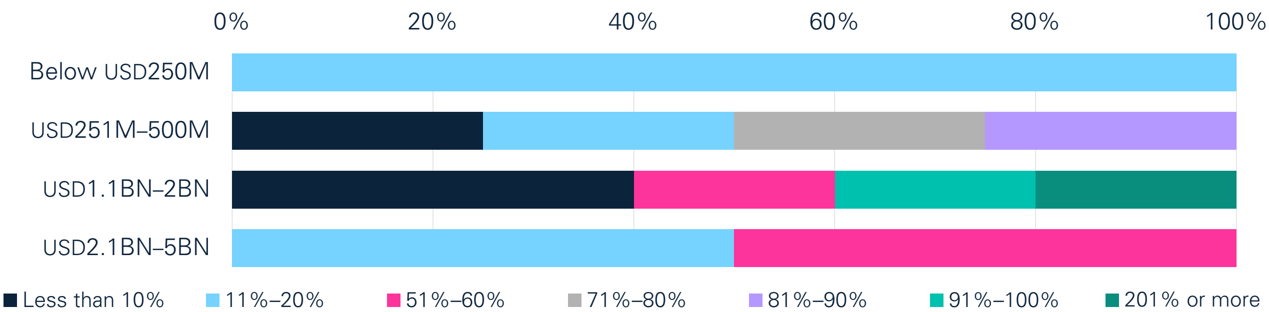
1 2 3 4 5 6 7 8 9 10 11 12 13 14

COO compensation against AUM

Basic Salary

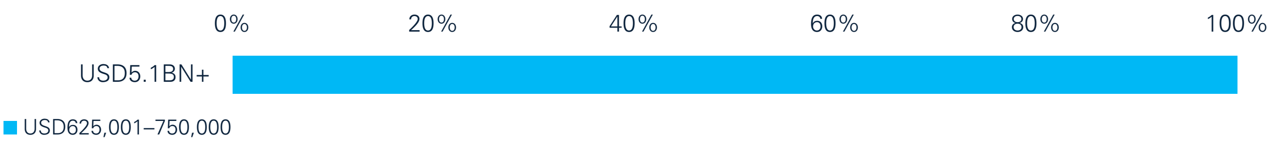


% of salary awarded as bonus

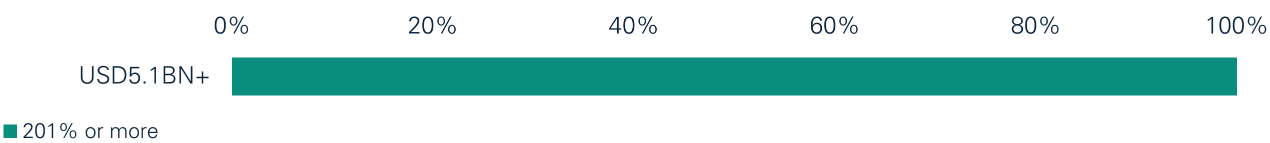


Chair compensation against AUM

Basic Salary



% of salary awarded as bonus



1
2
3
4
5
6
7
8
9
10
11
12
13
14

Benefits

Are offered private health care
61%

Are offered life insurance
46%

Are offered a travel allowance
19%

Are offered a company car
9%

Are offered a gym membership
16%

Are offered a pension
21%

Are offered paid-for accommodation
5%

Are offered flights home
6%

Other policies in place

Have a maternity policy in place
68%

Have a paternity policy in place
50%

Have an adoption policy in place
21%

Offer sabbatical leave
9%

Offer educational leave
8%

Offer stress leave
4%

Offer a vacation buy-out scheme
13%

Family Office professionals in USA most commonly receive 20 days of annual leave

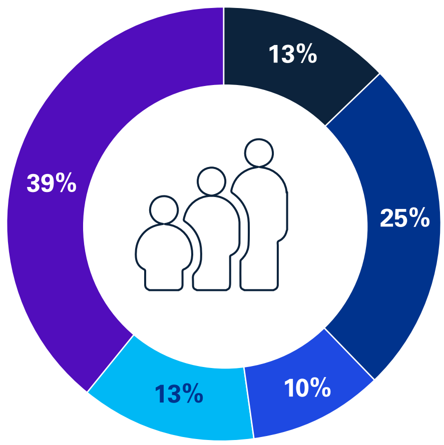
30%

63% of Family Office professionals received an uplift in their salary in 2022

The most common uplift received by

42% of these professionals was **6%–10%** of their annual salary

Drivers behind this uplift



- Cost of living
- Inflation
- In line with overall business performance
- Market data
- Personal performance

77% of Family Office professionals in the USA are allowed to work remotely

86% of Family Office professionals in the USA believe they perform a hybrid role

1 2 3 4 5 6 7 8 9 10 11 12 13 14

With what may seem as a competitive disadvantage for the Family Offices, these longer time horizons for compensation tools may actually be a plus, especially in our current uncertain economics. Take for example the receipt of a “three year” carry on a Private Equity investment made in the fall of 2021. Quite possibly, depending on the industry the investment is in, this carry may have zero current value and minimal upside as the investment will be disposed of before the business can recover above the terms of the “three year” carry. In the Family Office time horizon if this carry is tied to a “seven year” time horizon it will have time to recover and increase in value.

While Family Offices may seem to have a competitive disadvantage when attracting talent due to longer investment horizons, the past few years have shown longer investment horizons, and compensation tools tied to sustained returns, versus short-term returns, can be more beneficial to employees in terms of certainty around their compensation and the long-term value of their compensation

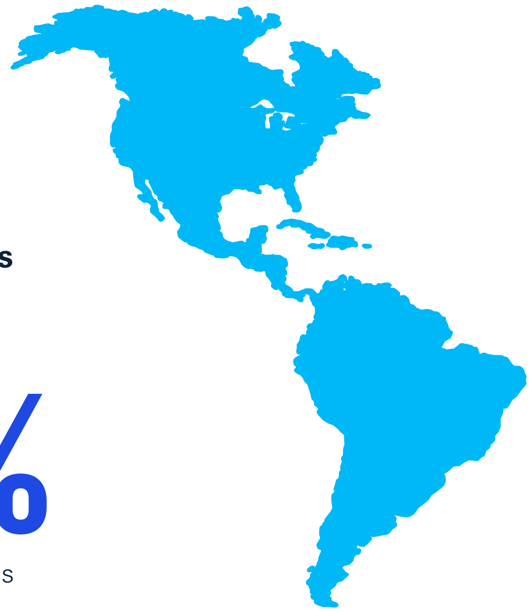
Brad Sprong
Partner & Tax Industry Leader
KPMG Private Enterprise
KPMG in the United States

Insights from Agreus

The US has the biggest concentration of Family Offices and is probably the most mature market in the world. With pools of Family Offices spread across different parts of the country, it is truly leading the way for Family Offices in all aspects. Although not reflected in the survey responses in this report, our experience has shown that the institutional caliber of US Family Offices also tend to have much bigger teams managing a lot more in-house than most other Family Offices across the world. In the institutional type US Family Office, investments are also more structured and professionally run similar to the fund industry or endowments. While we have observed a slight growth in Family Office investment allocations to Private Equity over the past year, we continue to see Family Offices compete with these same Private Equity firms for various opportunities. As such, this has created challenges for the Family Offices in attracting and retaining talent as the time horizons for return on these investments for Private Equity are generally shorter than the time horizon for Family Offices. This can create an issue for Family Offices in being able to offer compensation (mainly bonuses and LTIPs) in line with the Private Equity industry. In addition to competitive cash compensation, candidates are expecting to receive carried interest units as additional compensation, which in the Private Equity space typically mature in less than seven years. However, with a longer investment duration in many Family Offices, these compensation tools may have longer time horizons than candidates prefer.

7 Americas

Americas



Key findings of Family Office CEO in Americas

22%

of CEOs are Family Members in Americas

80%

of CEOs in Americas are male

CEOs

in Americas are most commonly aged between **55** and **59** years old

CEOs in this region most commonly come from an Investment Management background

46%

100%

of CEOs in Americas Family Offices are university educated

39%

of CEOs in the region have a master's degree

Family Office CEOs most commonly take home a salary of

USD198,001–264,000

with an additional bonus of **21%–30%**

USD — US dollar

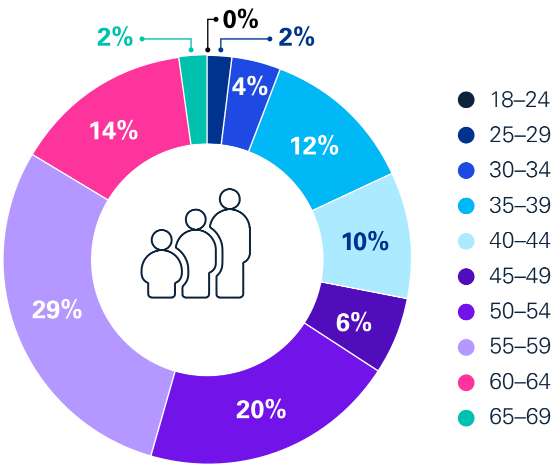
1
2
3
4
5
6
7
8
9
10
11
12
13
14

Gender

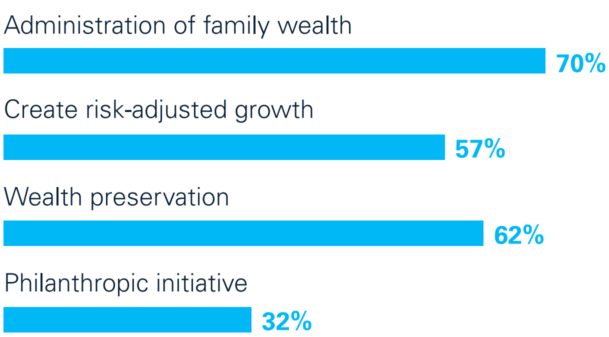
76% of all Family Office professionals in Americas are male

24% Female

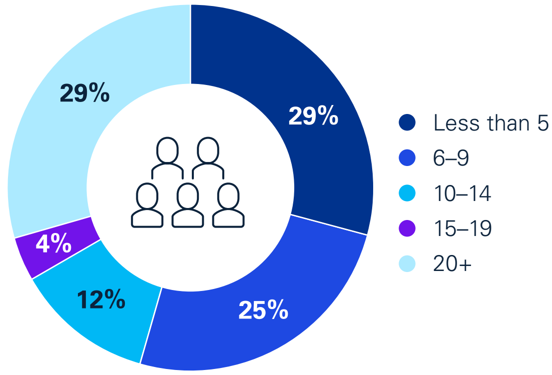
Age



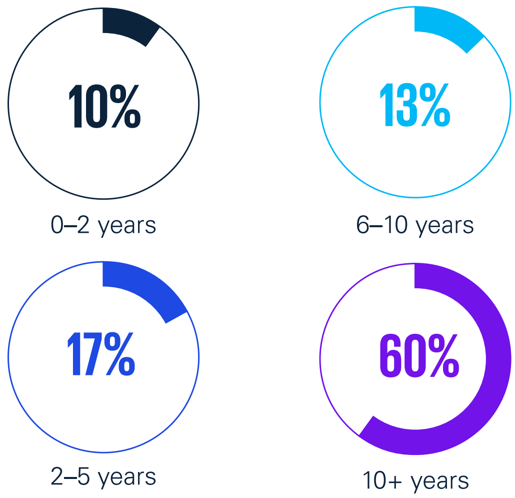
Purpose of the Family Office



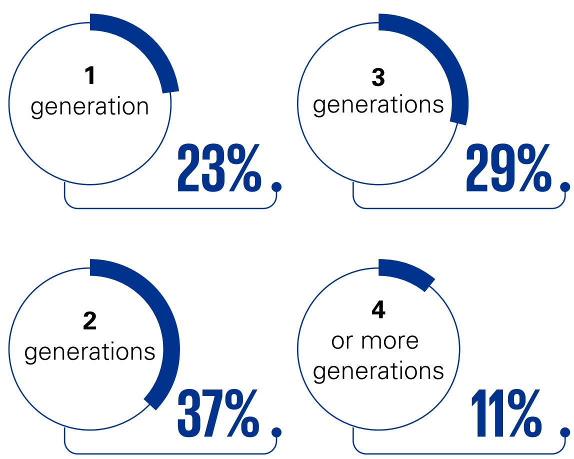
Number of employees



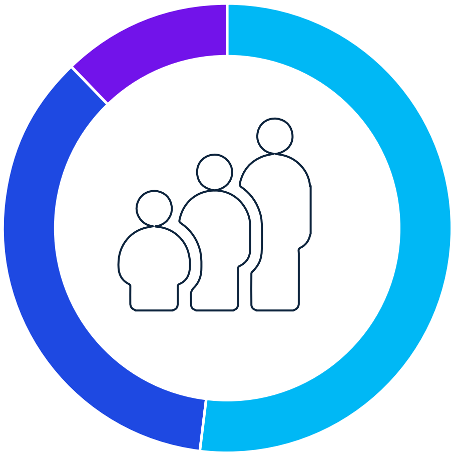
Years in operation



Generations of wealth being managed

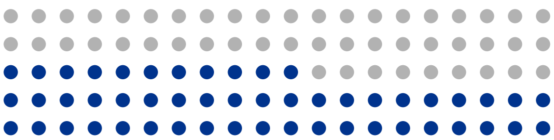


1 2 3 4 5 6 7 8 9 10 11 12 13 14



- **52%** of all Family Offices in Americas are based in the USA
- **36%** are based in Mexico
- **12%** in Canada

51% of Family Offices in Americas have a succession plan in place



38% of C-suite Family Office Leaders in Americas are targeted on cutting costs

28% of Family Offices in Americas also have at least one other Family Office location of which

75% are based elsewhere in North or Central America

8% are based in Europe

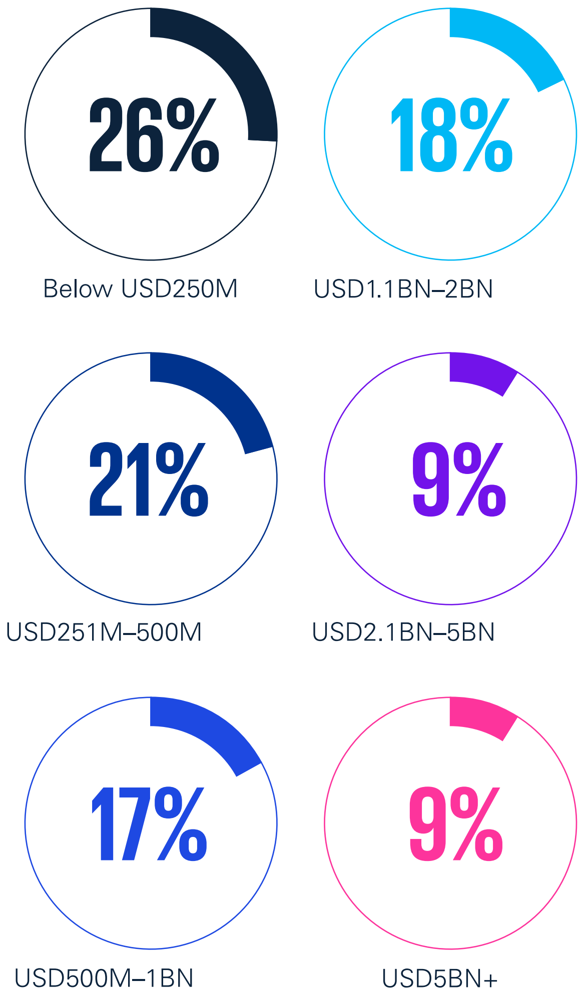
6% are based in South America

6% are based in Asia

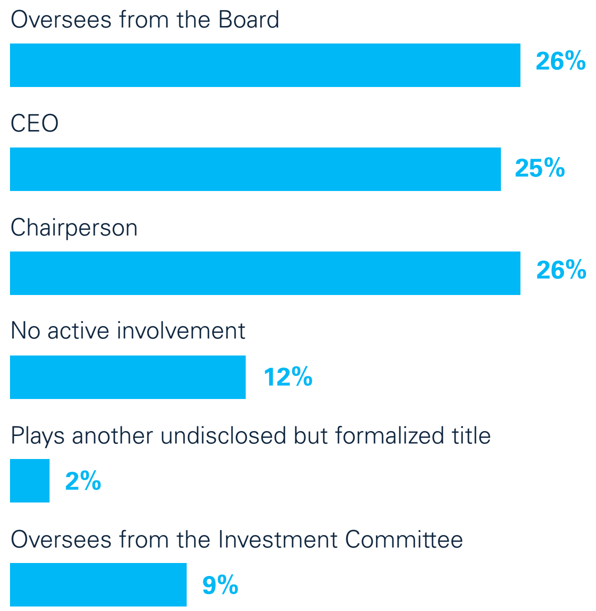
1% are based in Australia

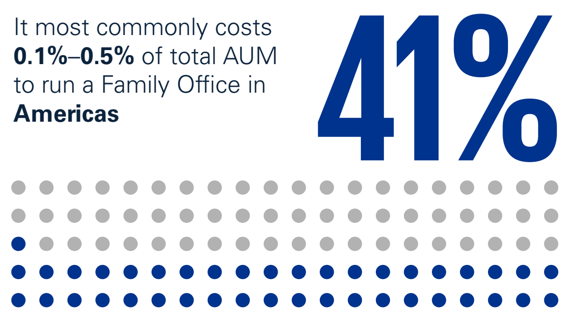
1 2 3 4 5 6 7 8 9 10 11 12 13 14

AUM



Role of the Ultimate Beneficial Owner



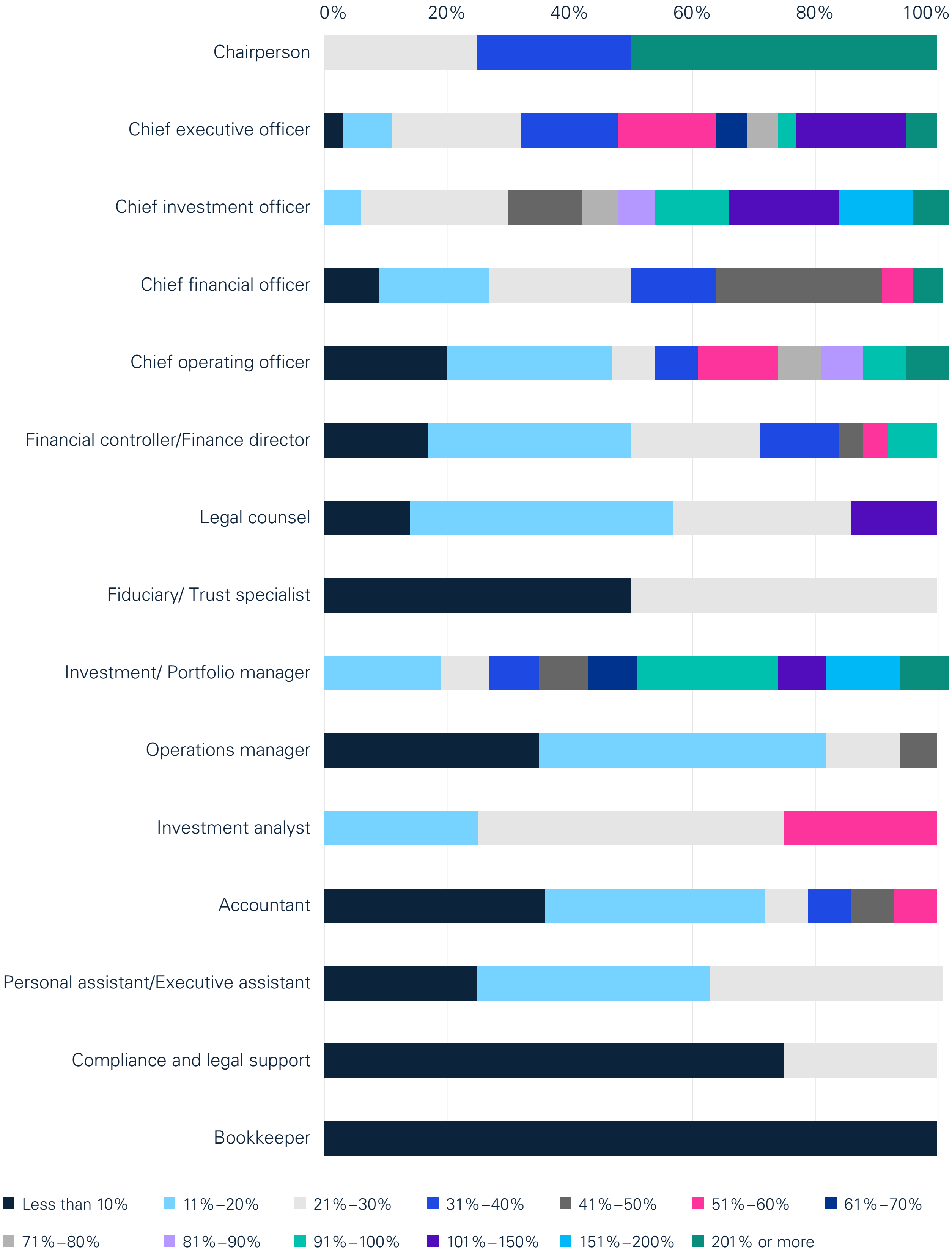


1 2 3 4 5 6 7 8 9 10 11 12 13 14

Salary

Role	Less than USD 60K	USD 60K–72K	USD 72K–85K	USD 85K–99K	USD 99K–132K	USD 132K–158K	USD 158K–198K	USD 198K–264K	USD 264K–330K	USD 330K–396K	USD 396K–500K	USD 500K–625K	USD 625K–750K	USD 750K–875K	USD 875K–1M	USD 1M+
Chairperson	0%	0%	14%	14%	14%	0%	0%	14%	**29%**	0%	0%	0%	14%	0%	0%	0%
Chief executive officer	0%	4%	2%	0%	6%	2%	10%	**16%**	10%	4%	10%	8%	8%	4%	4%	10%
Chief investment officer	0%	0%	0%	0%	0%	0%	11%	11%	21%	16%	11%	0%	0%	5%	0%	**26%**
Chief financial officer	0%	0%	0%	4%	15%	4%	8%	**23%**	8%	8%	12%	0%	8%	0%	8%	4%
Chief operating officer	0%	0%	6%	0%	6%	0%	13%	**25%**	19%	13%	0%	13%	0%	0%	6%	0%
Financial controller/ Finance director	14%	14%	7%	7%	**17%**	3%	10%	14%	3%	0%	7%	0%	0%	3%	0%	0%
Legal counsel	0%	13%	0%	13%	0%	13%	13%	**25%**	**25%**	0%	0%	0%	0%	0%	0%	0%
Tax specialist	0%	0%	**17%**	0%	**17%**	0%	**17%**	**17%**	**17%**	0%	**17%**	0%	0%	0%	0%	0%
Fiduciary/ Trust specialist	**20%**	0%	0%	**20%**	0%	**20%**	0%	0%	0%	**20%**	0%	0%	0%	0%	0%	**20%**
Investment/ Portfolio manager	0%	0%	3%	3%	7%	7%	14%	**38%**	7%	7%	3%	3%	0%	0%	3%	3%
Operations manager	22%	**26%**	9%	8%	13%	4%	9%	9%	0%	0%	0%	0%	0%	0%	0%	0%
Investment analyst	**25%**	**25%**	13%	13%	13%	13%	13%	0%	0%	0%	0%	13%	0%	0%	0%	0%
Accountant	**45%**	9%	5%	14%	14%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	18%	9%	**27%**	9%	18%	9%	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Compliance and legal support	**50%**	17%	0%	0%	17%	0%	0%	0%	0%	0%	17%	0%	0%	0%	0%	0%
Bookkeeper	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Bonus


0%
20%
40%
60%
80%
100%
Chairperson
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Finance director
Legal counsel
Fiduciary/ Trust specialist
Investment/ Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Compliance and legal support
Bookkeeper
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
61%–70%
71%–80%
81%–90%
91%–100%
101%–150%
151%–200%
201% or more

Bonus information

77% of Family Office professionals said their salary was reviewed annually

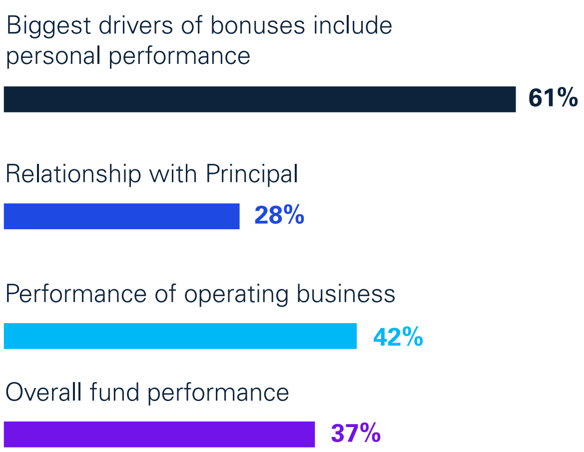
15% reviewed periodically

8% not reviewed regularly

78% of Family Office professionals in the region receive a performance bonus, of which

71% receive a discretionary bonus

38% receive a formulaic bonus



LTIPs

28% of Family Office professionals in Americas are offered a Long-Term Incentive Plan (LTIP) of which

30% the majority are offered co-investing opportunities, while a further

28% are offered carried interest

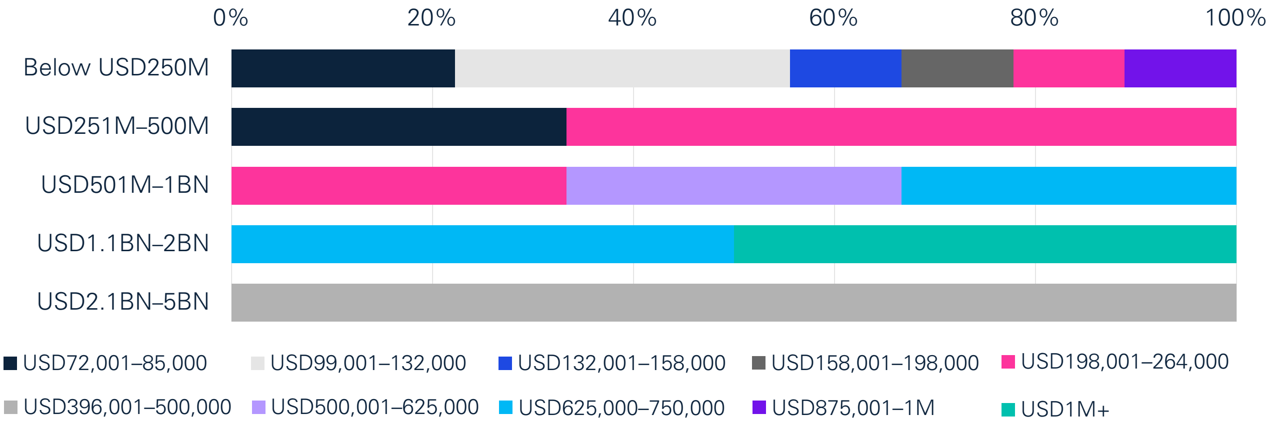
13% are offered stock options

11% are offered non-recourse loans

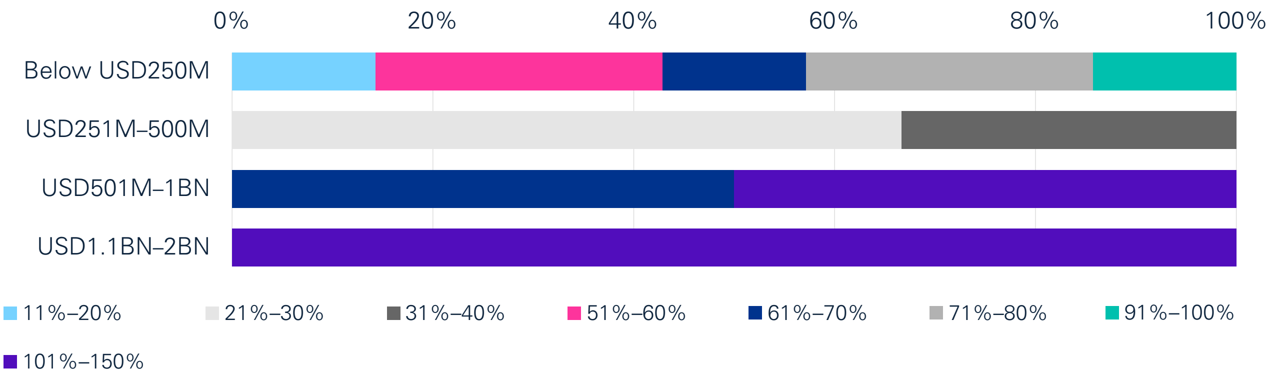
Other LTIPs listed include a non-qualified benefit plan, a percentage of salary and phantom equity

CEO compensation against AUM

Basic Salary

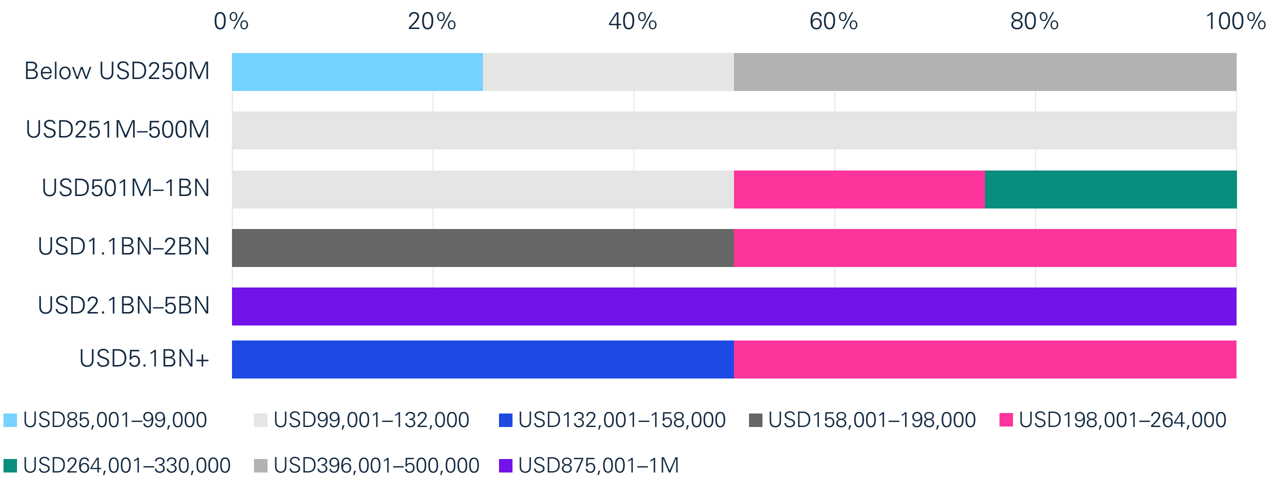


% of salary awarded as bonus

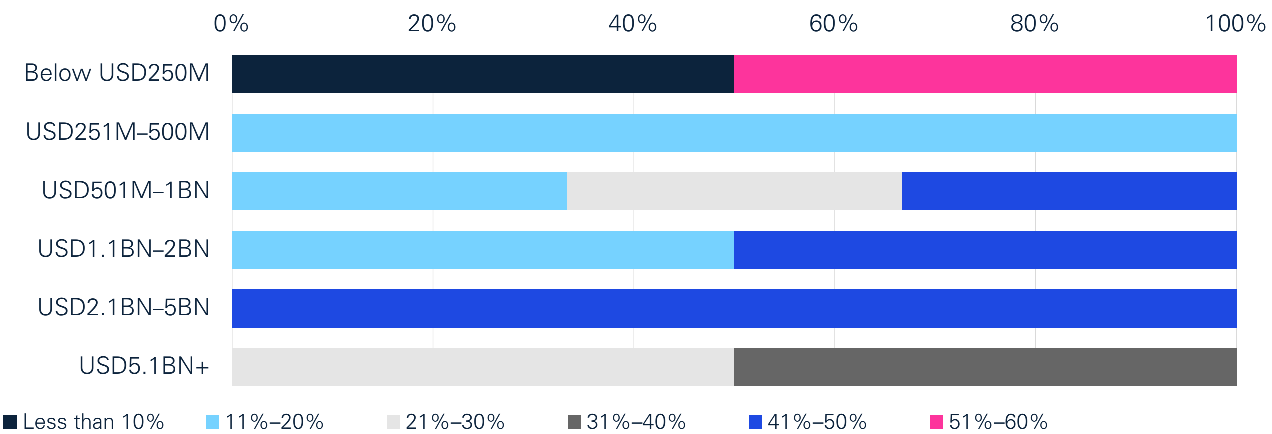


CFO compensation against AUM

Basic Salary

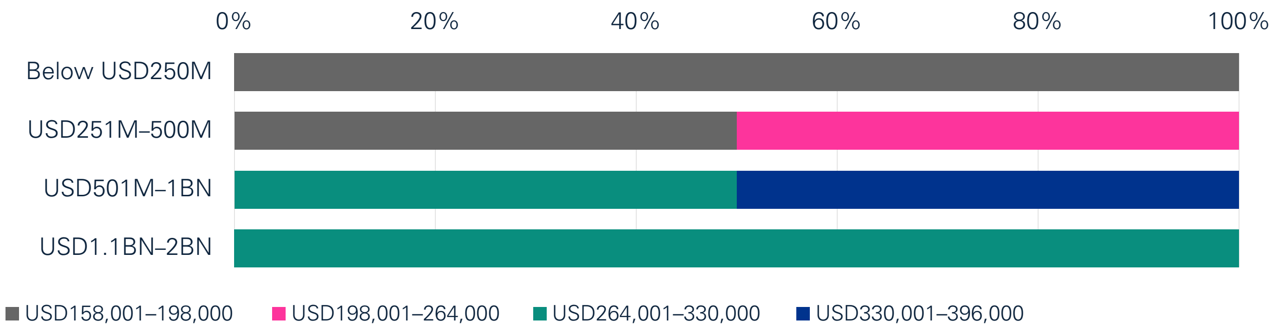


% of salary awarded as bonus

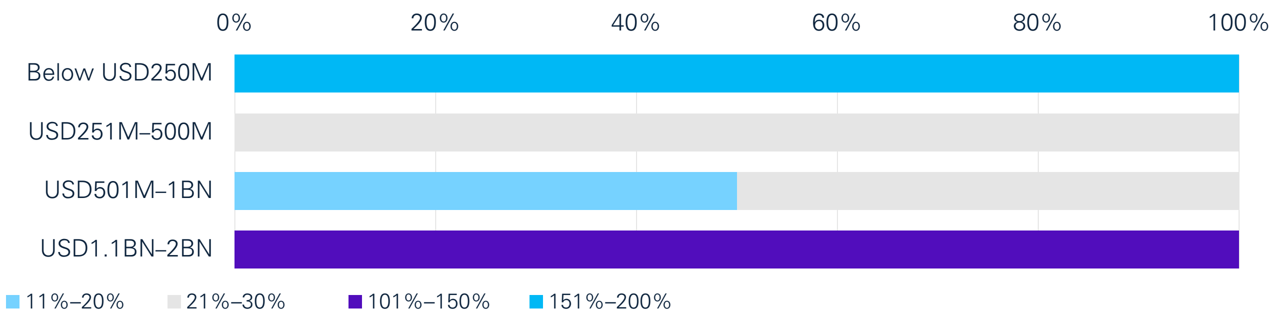


CIO compensation against AUM

Basic Salary

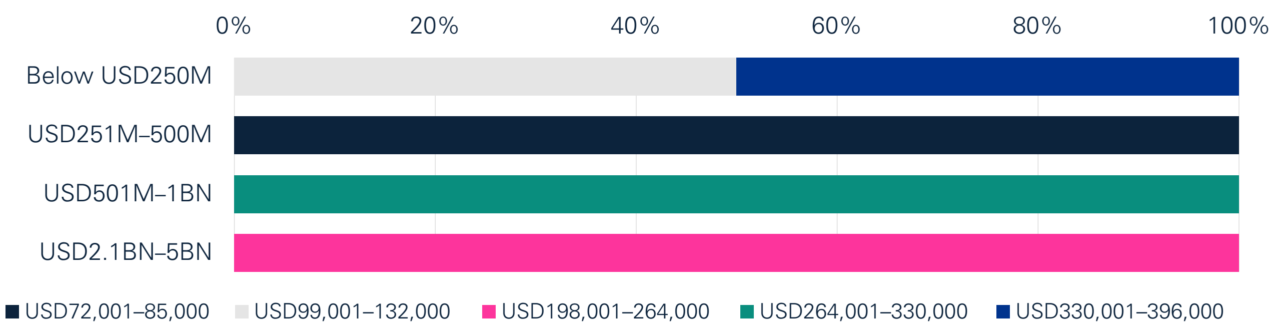


% of salary awarded as bonus

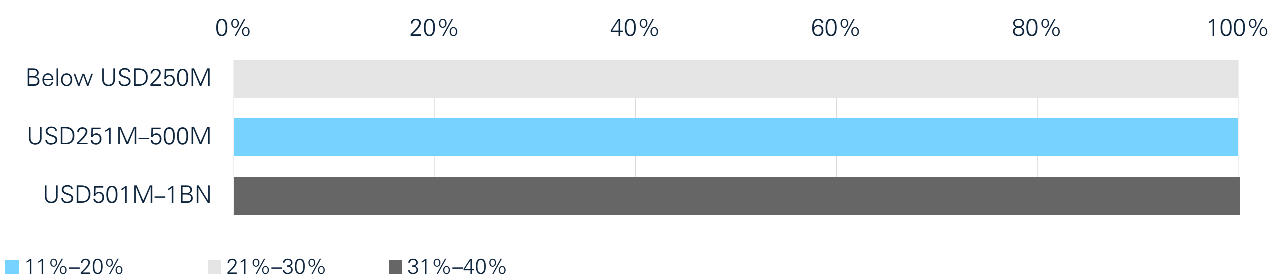


COO compensation against AUM

Basic Salary



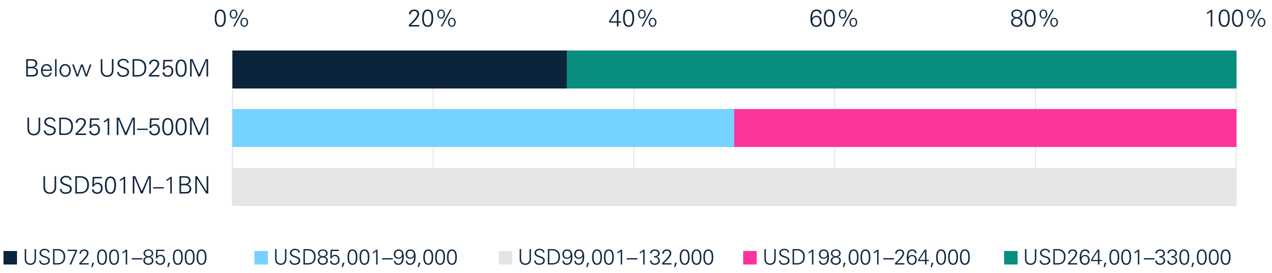
% of salary awarded as bonus



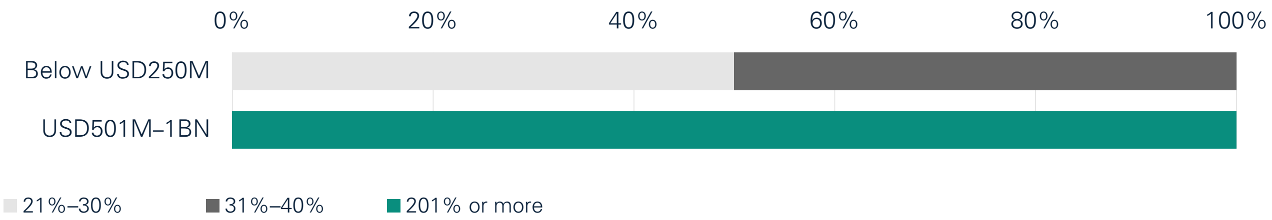
1 2 3 4 5 6 7 8 9 10 11 12 13 14

Chair compensation against AUM

Basic Salary



% of salary awarded as bonus



Benefits

Are offered private health care
60%

Are offered life insurance
49%

Are offered a travel allowance
20%

Are offered a company car
29%

Are offered a pension
19%

Are offered a gym membership
14%

Are offered paid-for accommodation
5%

Other policies in place

Have a maternity policy in place
65%

Have a paternity policy in place
45%

Have an adoption policy in place
16%

Offer sabbatical leave
7%

Offer stress leave
7%

Offer a vacation buy-out scheme
14%

Family Office professionals in Americas most commonly receive 20 days of annual leave each year **26%**

58% of Family Office professionals received an uplift in their salary in 2022, **1%** received a deduction in their salary

41% said their salary stayed the same

The most common uplift received by

46% of these professionals was **6%–10%** of their annual salary

38% The biggest drivers behind this uplift included inflation

Personal performance
30%

Market data
12%

In line with business performance
11%

The cost of living
9%

74% of Family Office professionals in Americas are allowed to work remotely

17% of which work from home full-time

86% of Family Office professionals in Americas believe they perform a hybrid role

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Your Family Office is located in Mexico. What have been the biggest Family Office trends here over the last two years?

"I have worked for a Family Office in Mexico for more than 11 years. I saw growth in the Family Office sector in the region, with more similar entities being set up. This wasn't common years ago.

There is heightened awareness regarding corporate governance in the sector.

In Mexico, there is a concern that the government will start collecting inheritance tax, which will affect the Family Office sector there."

Gerardo Urdiales
CFO, Family Office, Grupo Industrial Trebol,
Mexico

How involved is the family in the compensation process at your Family Office?

"I am the CFO of a founder-led and very dynamic Family Office, which was set up ultimately for wealth preservation and to oversee the transition of the family businesses from generation to generation. The family is highly entrepreneurial, and the CEO is one of three siblings. The parents are actively involved in the Family Office operations.

Non-family executives get to participate in the compensation benchmarking process and there are two bases of compensation from a financial perspective — the development of business as well as profit generated from investments."

CFO, Single Family Office, Canada

8 Asia

Asia

Key findings of Family Office CEO in Asia

31%

of CEOs are Family Members in Asia

100%

of CEOs in Asia that took our survey are male

CEOs

in Asia are most commonly aged between **35** and **44**, the youngest globally

CEOs in Asia most commonly come from an investment management background

36% or a banking background **27%**

100%

of CEOs in Asia-based Family Offices are university educated

69%

of CEOs in Family Offices in Asia have a master's degree making them the most educated

Family Office CEOs most commonly take home a wide range of salaries in Asia

SGD158,001–500,000

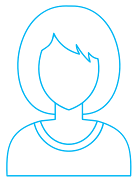
They most commonly take home a bonus of **21%–30%** across the continent

SGD — Singapore dollar

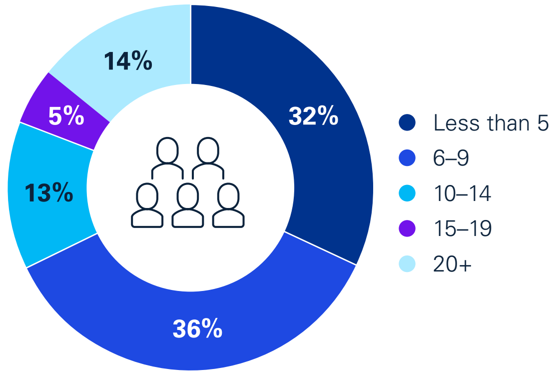
Gender

89% of all Family Office professionals in Asia are male

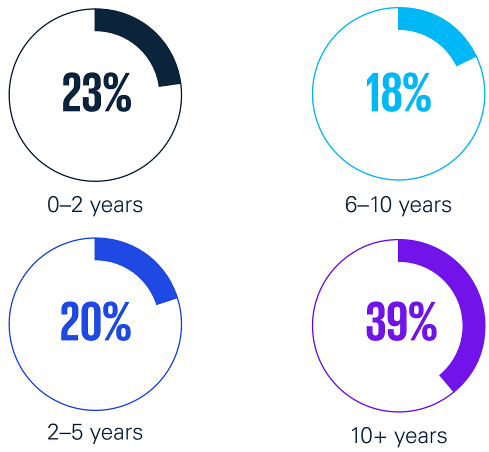
11% Female



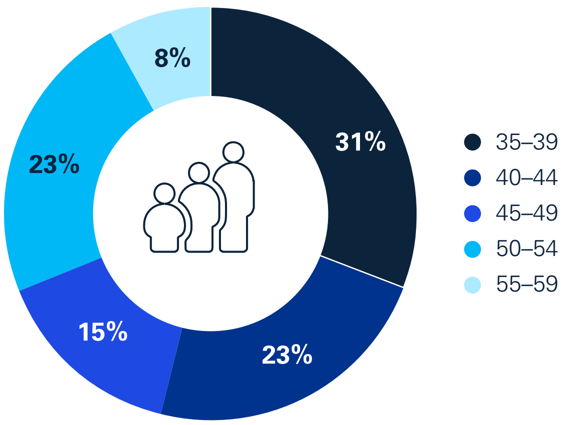
Number of employees



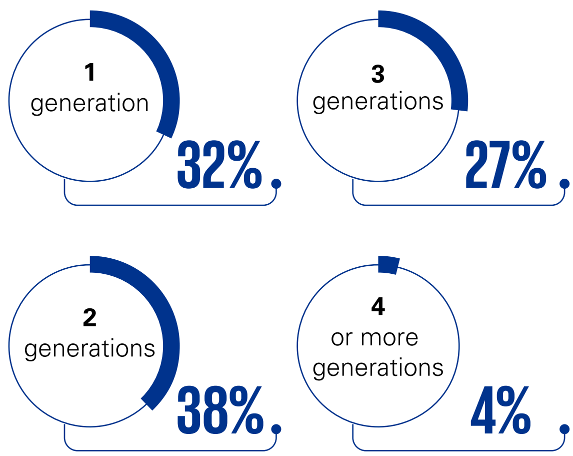
Years in operation



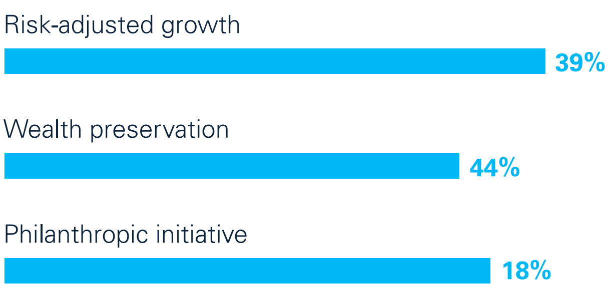
Age



Generations of wealth being managed



Purpose of the Family Office



1
2
3
4
5
6
7
8
9
10
11
12
13
14

59% of Family Offices are located in Singapore

a further

14% are based in Hong Kong (SAR) China

13% in India

The remaining

14% are located in Malaysia, Thailand and Pakistan

30% of Asia-based Family Offices also have at least one other Family Office location of which

54% are located elsewhere in Asia

25% are located in Europe

13% are USA-based

4% in Australia

4% in the Middle East

72% of Family Offices in Asia have a succession plan in place, the highest globally

36% of C-suite Family Office Leaders in Asia are targeted on cutting costs

AUM

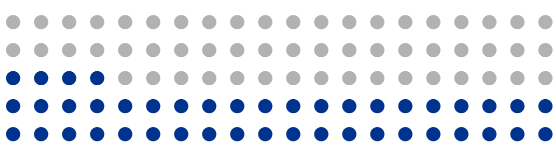
Below SGD250M	20%
SGD500M–1BN	24%
SGD2.1BN–5BN	12%
SGD251M–500M	20%
SGD1.1BN–2BN	20%
SGD5BN+	4%

Role of the Ultimate Beneficial Owner

Oversees from the Board	24%
CEO	20%
Chairperson	12%
No active involvement	12%
Oversees from the Investment Committee	32%

It most commonly costs **0.1%–0.5%** of total AUM to run a Family Office in the **Asia**

44% the lowest cost globally



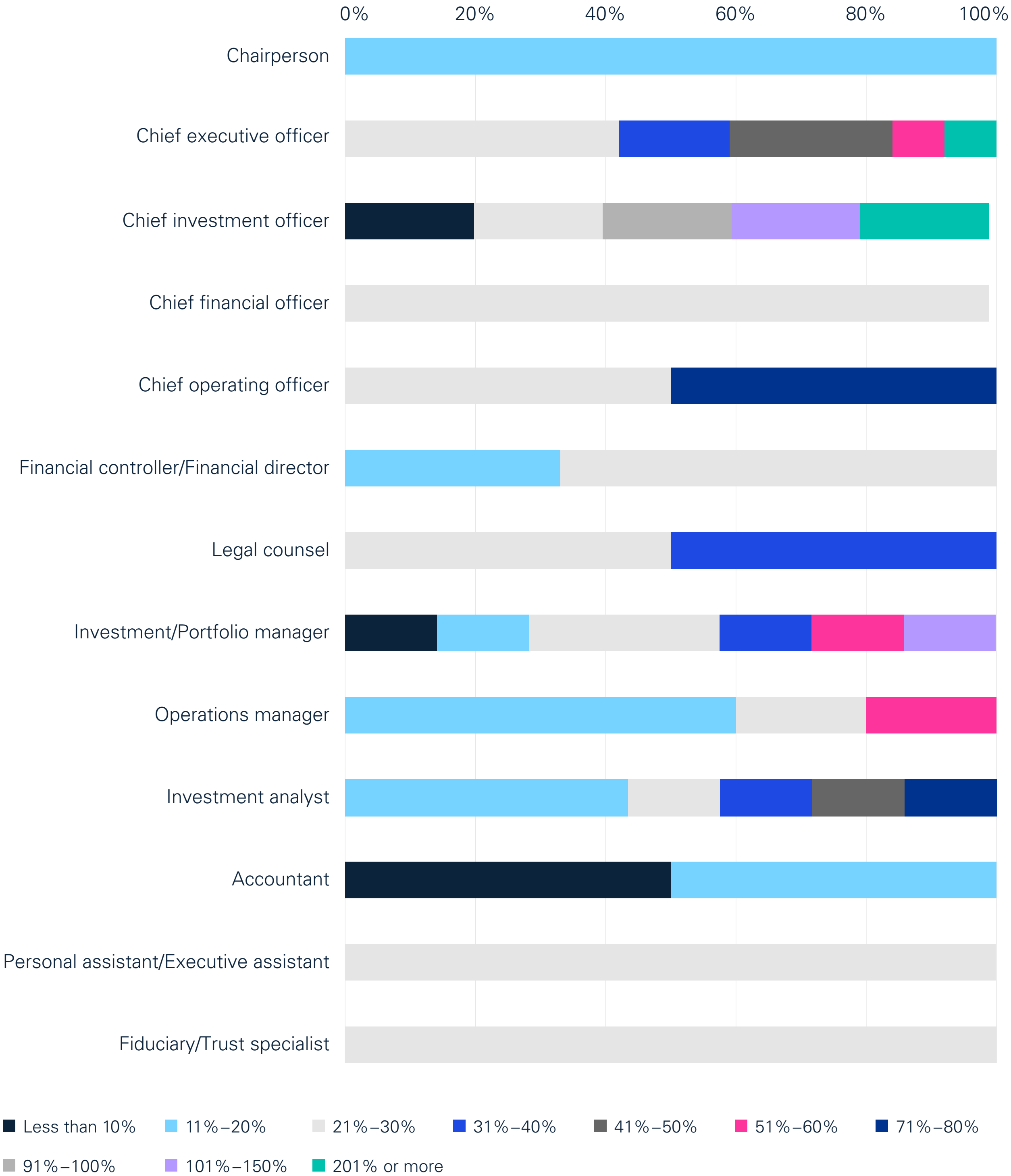
1 2 3 4 5 6 7 8 9 10 11 12 13 14

Salary

The majority of the survey respondents in Asia were based in Singapore, so we have used the SGD as the main currency for the region.

Role	Less than SGD 60k	SGD 60K–72K	SGD 72K–85K	SGD 85K–99K	SGD 99K–132K	SGD 132K–158K	SGD 158K–198K	SGD 198K–264K	SGD 264K–330K	SGD 330K–396K	SGD 396K–500K	SGD 500K–625K	SGD 875K–1m	SGD 1m+
Chairperson	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**100%**	0%	0%
Chief executive officer	0%	0%	0%	0%	8%	0%	**17%**	**17%**	**17%**	**17%**	**17%**	0%	8%	0%
Chief investment officer	0%	0%	0%	0%	0%	0%	17%	17%	**33%**	0%	0%	17%	0%	17%
Chief financial officer	0%	0%	0%	0%	0%	0%	0%	**50%**	**50%**	0%	0%	0%	0%	0%
Chief operating officer	0%	0%	0%	0%	0%	0%	**40%**	**40%**	0%	20%	0%	0%	0%	0%
Financial controller/ Finance director	0%	0%	0%	0%	0%	33%	0%	**67%**	0%	0%	0%	0%	0%	0%
Legal counsel	0%	0%	0%	0%	0%	20%	20%	**60%**	0%	0%	0%	0%	0%	0%
Investment/ Portfolio manager	0%	0%	17%	0%	0%	17%	0%	17%	**33%**	17%	0%	0%	0%	0%
Operations manager	0%	**20%**	0%	**20%**	**20%**	**20%**	**20%**	0%	0%	0%	0%	0%	0%	0%
Investment analyst	0%	0%	25%	25%	**50%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accountant	0%	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	**25%**	**25%**	**25%**	**25%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fiduciary/ Trust specialist	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%

Bonus



0%
20%
40%
60%
80%
100%
Chairperson
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Financial director
Legal counsel
Investment/Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Fiduciary/Trust specialist
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
71%–80%
91%–100%
101%–150%
201% or more

Bonus information

68% of Family Office professionals say their salary is reviewed annually

25% reviewed periodically

11% is never reviewed

82% receive a bonus

18% do not

Of those professionals who do receive a bonus,

80% of Family Office professionals in Asia receive a discretionary bonus

20% receive a formulaic bonus

Biggest drivers of bonuses include

Personal performance **48%**

Relationship with Principal **30%**

Overall fund performance **52%**

LTIPs

11% of Family Office professionals in Asia are offered a Long-Term Incentive Plan (LTIP) of which

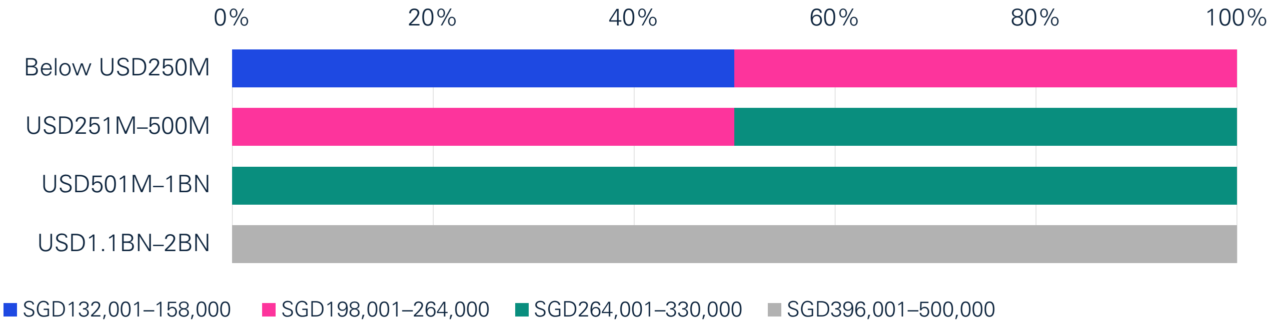
50% are offered co-investing opportunities

50% are offered stock options

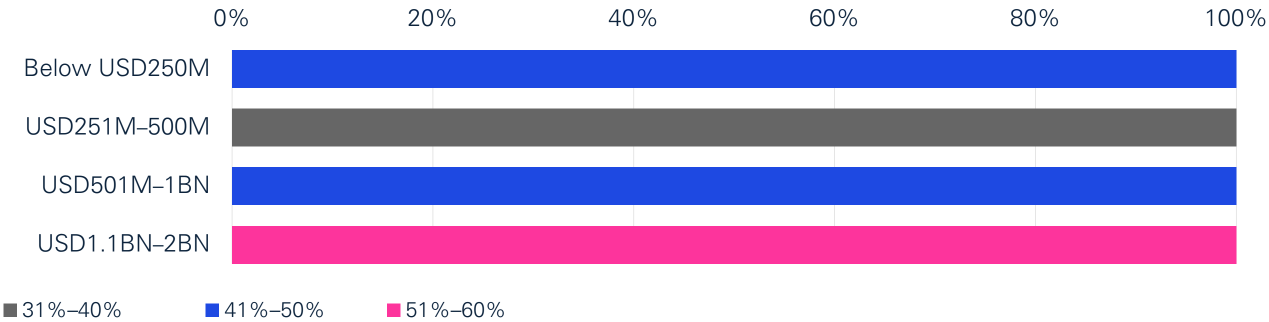
1 2 3 4 5 6 7 8 9 10 11 12 13 14

CEO compensation against AUM

Basic Salary

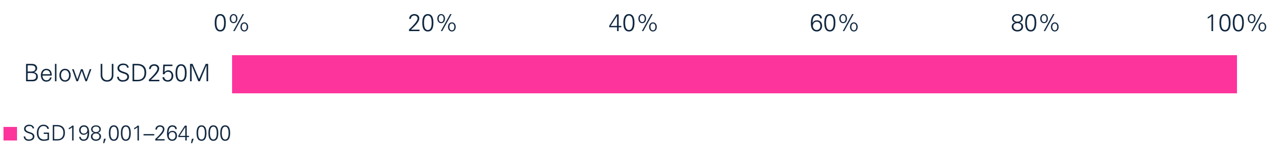


% of salary awarded as bonus

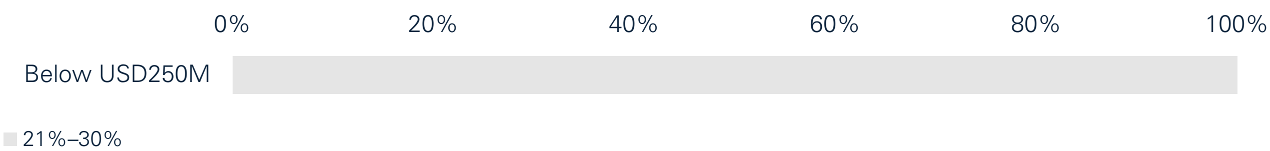


CFO compensation against AUM

Basic Salary



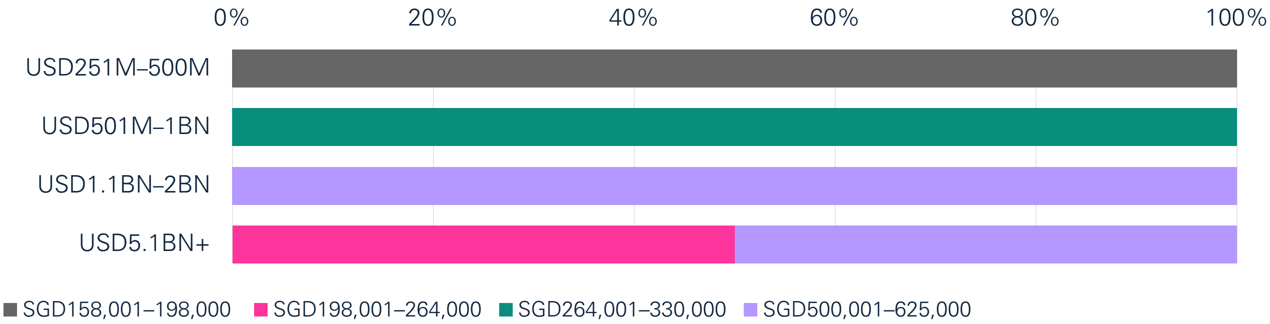
% of salary awarded as bonus



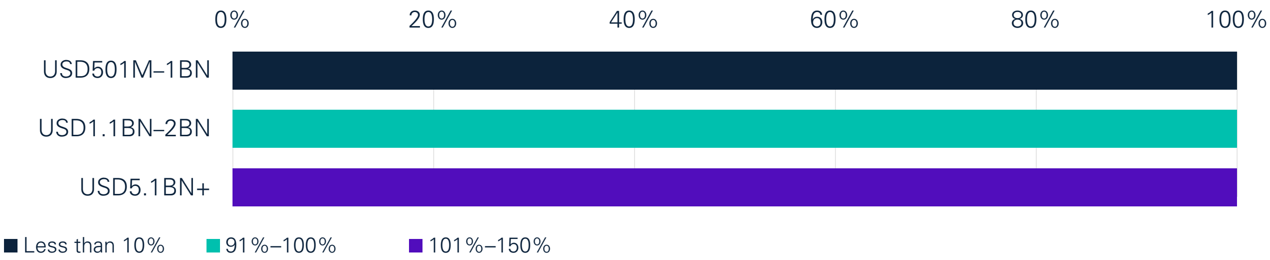
1 2 3 4 5 6 7 8 9 10 11 12 13 14

CIO compensation against AUM

Basic Salary

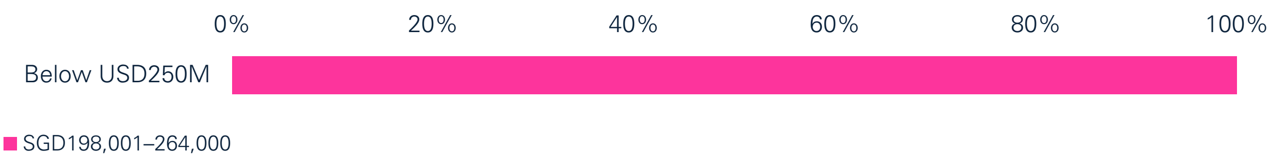


% of salary awarded as bonus

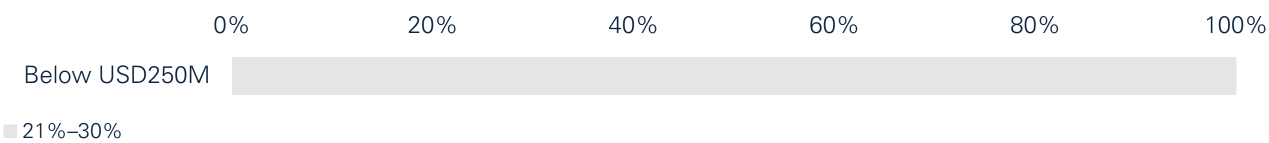


COO compensation against AUM

Basic Salary

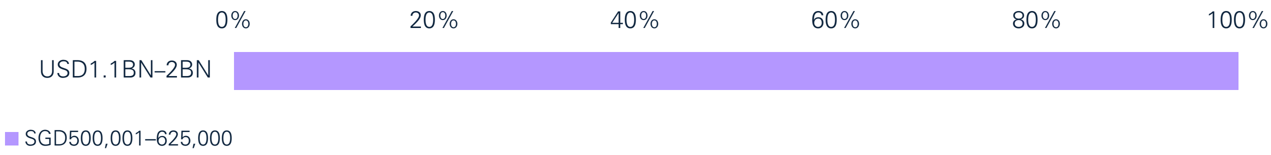


% of salary awarded as bonus

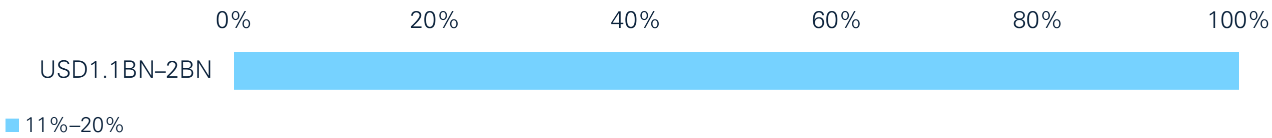


Chair compensation against AUM

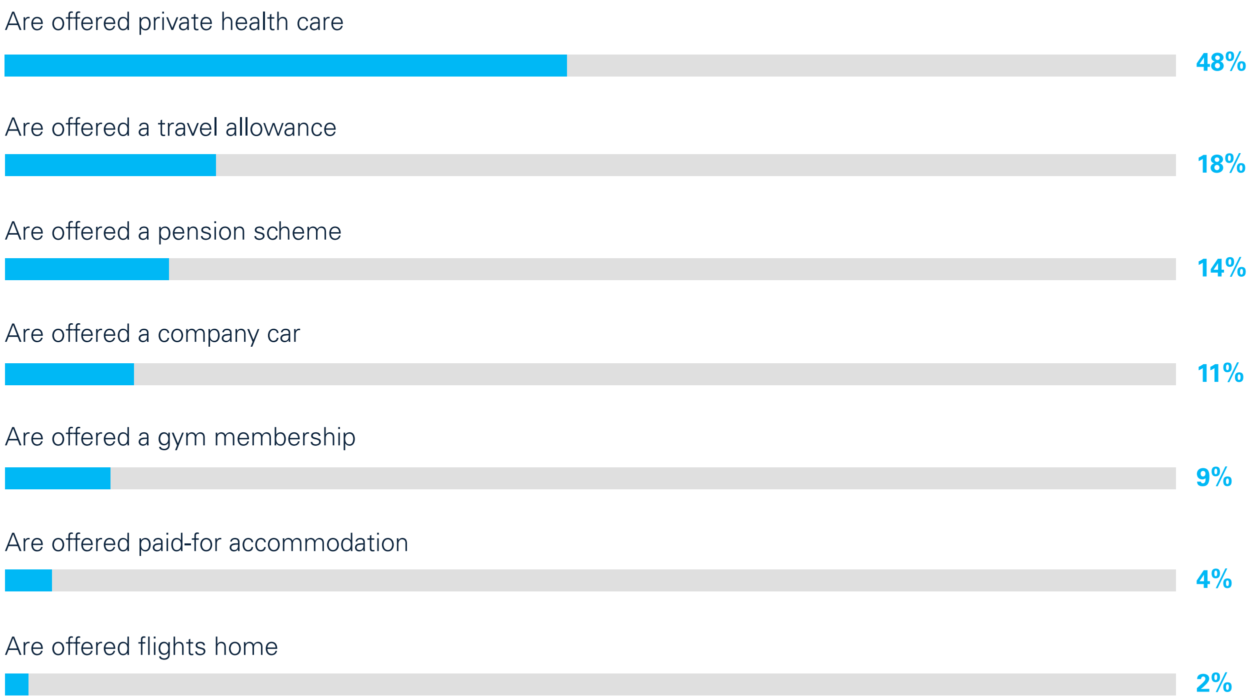
Basic Salary



% of salary awarded as bonus



Benefits



1 2 3 4 5 6 7 8 9 10 11 12 13 14

Other policies in place

Have a maternity policy in place 70%

Have a paternity policy in place 45%

Have an adoption policy in place 4%

Offer educational leave 32%

Offer stress leave 11%

Offer a vacation buy-out scheme 9%

Family Office professionals in Asia most commonly receive **30 days** of annual leave

52% of Family Office professionals in Asia received an uplift in their salary in 2022

The most common uplift received by **60%** of these professionals was:

30% 6%–10% of their basic salary

30% or more than 15% of their basic salary

34% The biggest drivers behind this uplift included personal performance

31% inflation

28% in line with overall business performance

3% who said it was due to the cost of living and market data

64% of Family Office professionals in Asia are allowed to work remotely

14% less than any other continent of which work from home full-time

84% of Family Office professionals in Asia believe they perform a hybrid role

“We are seeing more families recognize the benefits of setting up a Family Office to help them professionally manage their wealth. Benefiting from the government policies, well-established financial market and talent pool, Hong Kong (SAR) China and Singapore have become very popular jurisdictions as a Family Office base. Apart from wealth management and philanthropic activities, it is also common to see the older families that have transitioned their wealth for more than two generations engage Family Office professionals to execute wealth succession plan and next generation development. With the rapid growth of wealth in Asia and the various government initiatives in promoting Family Office in Hong Kong and Singapore, we expect the demand for Family Office executives to be on the rise. Families need to develop competitive talent attraction and retention plans to attract talent.”

Karmen Yeung
Tax Partner, KPMG Private Enterprise
KPMG in China

Insights from Agreus

We have seen a boom in Family Office moving and setting up in Asian Financial hubs particularly in Singapore over the past year. This has been from China and the rest of the world. The Family Office space is still in its infancy in Asia so there is a dearth of candidates with Family Office experience. This is similar to how the Family Office talent pool was like in the UK over 10 years ago. There is a large pool of qualified professionals in the major financial hubs in Asia; however, it is extremely important to find candidates that understand the workings of a Family Office. More importantly, it is critical to establish the right culture fit for your Family Office. The Family Offices in Asia are going through what you would typically see in markets that are still trying to emulate a more developed hub for Family Offices. They would benefit from leveraging the wider Family Office ecosystem and professionalizing their entities from the get-go. With recent reforms, tax breaks and benefits, it will be attracting credible Family Offices from all over the world.

9 Australia

Australia

Key findings of Family Office CEO in Australia

23%
of CEOs are Family Members in Australia

92%
of CEOs in Australia are male

CEOs in Australia are most commonly aged between **45** and **49** years old

CEOs in Australia most commonly come from an Investment Management background **36%**

100%
of CEOs in Australia-based Family Offices are university educated

A further **38%** of CEOs in Australia have a master's degree

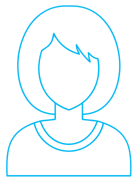
Family Office CEOs in Australia most commonly take home a salary of **AUD396,001–500,000**
with an additional annual bonus of **21%** to **30%** of salary

AUD — Australian dollar

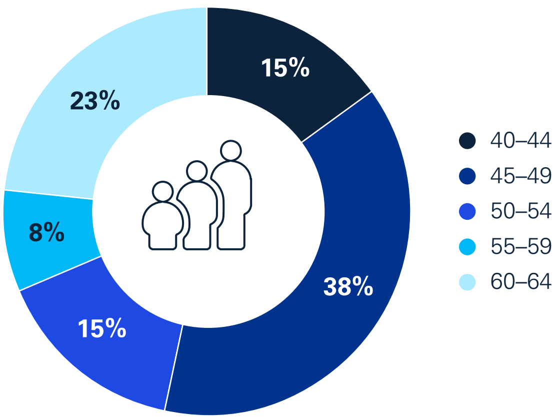
Gender

88% of all Family Office professionals in the Australia are male

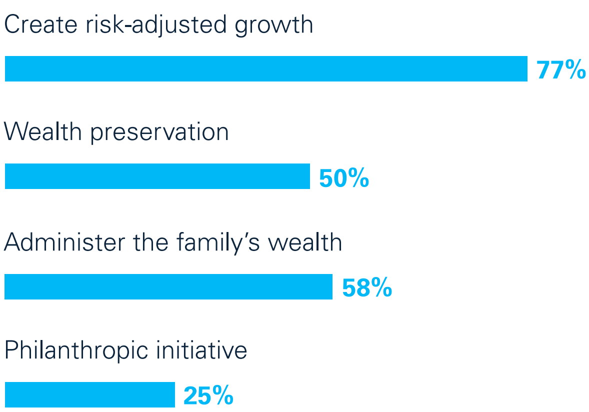
12% Female



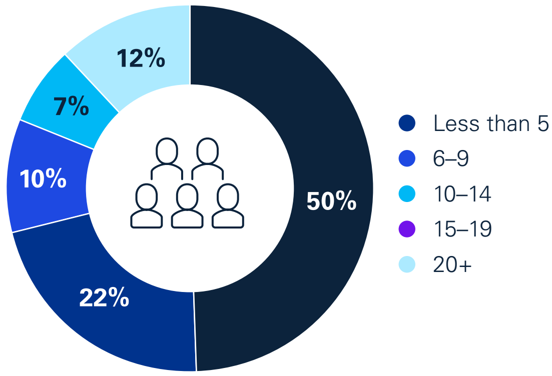
Age



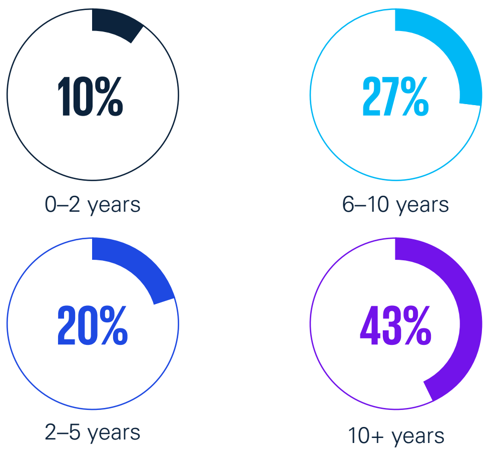
Purpose of the Family Office



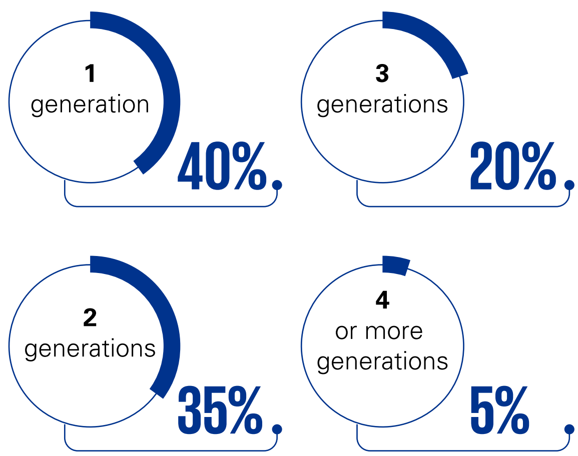
Number of employees



Years in operation



Generations of wealth being managed



1
2
3
4
5
6
7
8
9
10
11
12
13
14

The remaining **2%** are based in New Zealand

98% of Family Offices surveyed are located in Australia

12% of Family Offices also have another Family Office location of which

100% are located elsewhere in the continent

44% of Family Offices in Australia have a succession plan in place

21% of C-suite Family Office Leaders in Australia are targeted on cutting costs

AUM

AUM	
Below USD250M	21%
USD500M–1BN	32%
USD2.1BN–5BN	0%
USD251M–500M	41%
USD1.1BN–2BN	3%
USD5BN+	3%

Role of the Ultimate Beneficial Owner

Oversees from the Board	32%
CEO	35%
Chairperson	24%
No active involvement	6%
Oversees from the Investment Committee	3%

It most commonly costs **0.1%–0.5%** or **0.6%** to **1%** of AUM to run a Family Office in Australia.

32% of respondents selected **0.1%–0.5%**

32% selected **0.6%** to **1%** showing a less cohesive approach to Family Office operating costs in Australia

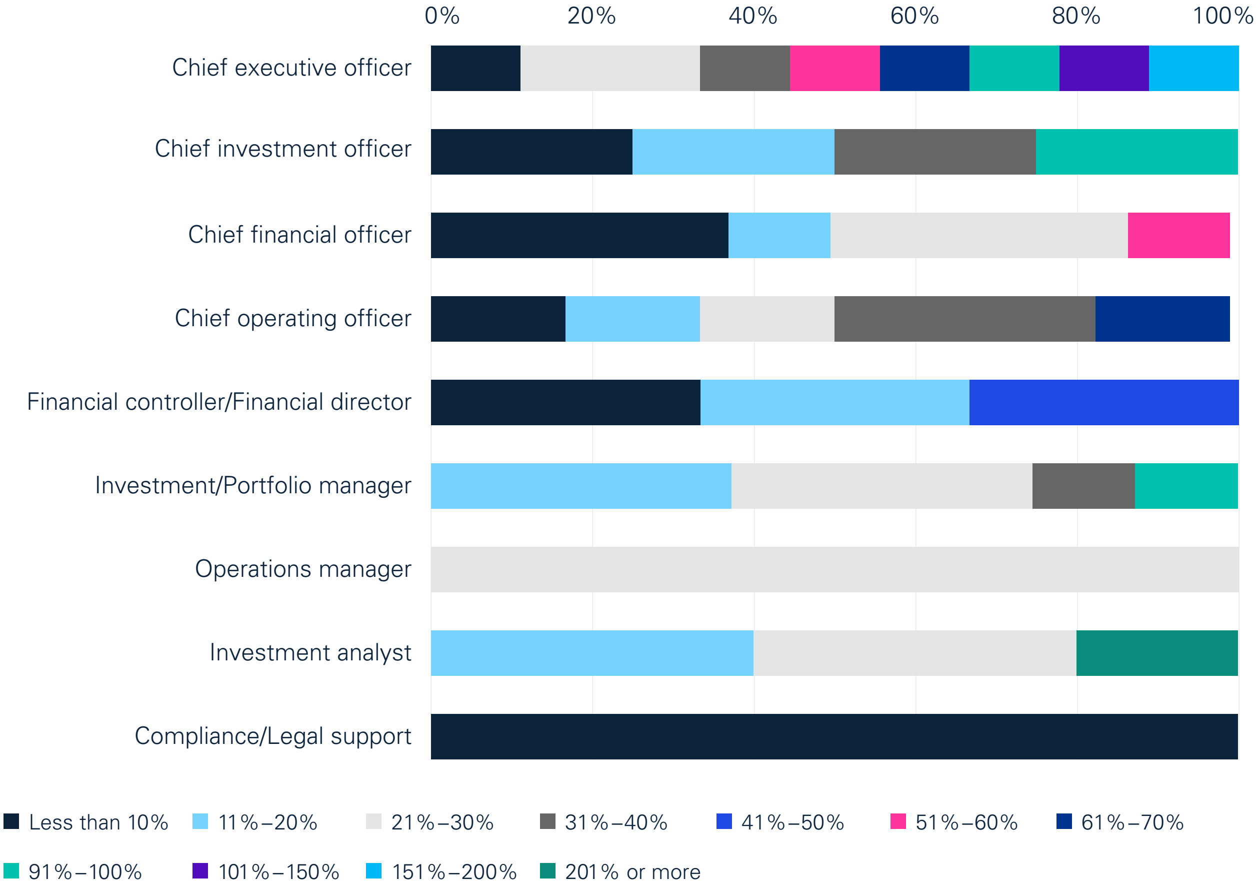
64% of Family Offices in Australia cost less than **1%** of AUM to run

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Salary

Role	AUD Less than 60K	AUD 72K–85K	AUD 99K–132K	AUD 132K–158K	AUD 158K–198K	AUD 198K–264K	AUD 264K–330K	AUD 330K–396K	AUD 396K–500K	AUD 500K–625K	AUD 625K–750K	AUD 875K–1M	AUD 1M+
Chief executive officer	0%	0%	0%	0%	0%	8%	15%	15%	**31%**	8%	8%	8%	8%
Chief investment officer	0%	0%	0%	20%	0%	**60%**	0%	20%	0%	0%	0%	0%	0%
Chief financial officer	0%	0%	10%	0%	0%	10%	20%	**30%**	20%	10%	0%	0%	0%
Chief operating officer	17%	0%	0%	0%	17%	17%	**33%**	0%	17%	0%	0%	0%	0%
Financial controller/ Finance director	0%	0%	0%	0%	25%	**50%**	0%	0%	0%	0%	25%	0%	0%
Investment/ Portfolio manager	0%	0%	**20%**	10%	**20%**	**20%**	10%	0%	**20%**	0%	0%	0%	0%
Operations manager	**50%**	0%	0%	0%	**50%**	0%	0%	0%	0%	0%	0%	0%	0%
Investment analyst	0%	0%	14%	**43%**	29%	14%	0%	0%	0%	0%	0%	0%	0%
Accountant	0%	0%	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Compliance and legal support	0%	0%	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%	0%
Bookkeeper	0%	**100%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Bonus



Bonus information

58% of Family Office professionals in Australia told us their salary was reviewed annually

35% reviewed periodically

7% not reviewed frequently

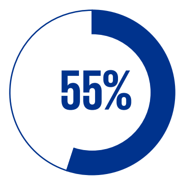
73% receive a bonus

27% do not

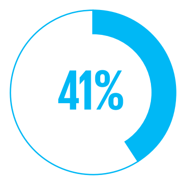
Of those who do

75% of Australia based Family Office professionals receive a discretionary bonus

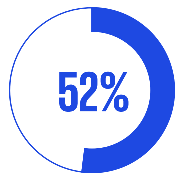
25% receive a formulaic bonus



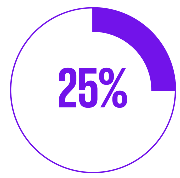
Biggest drivers of bonuses include personal performance



Overall fund performance



Performance of the operating business



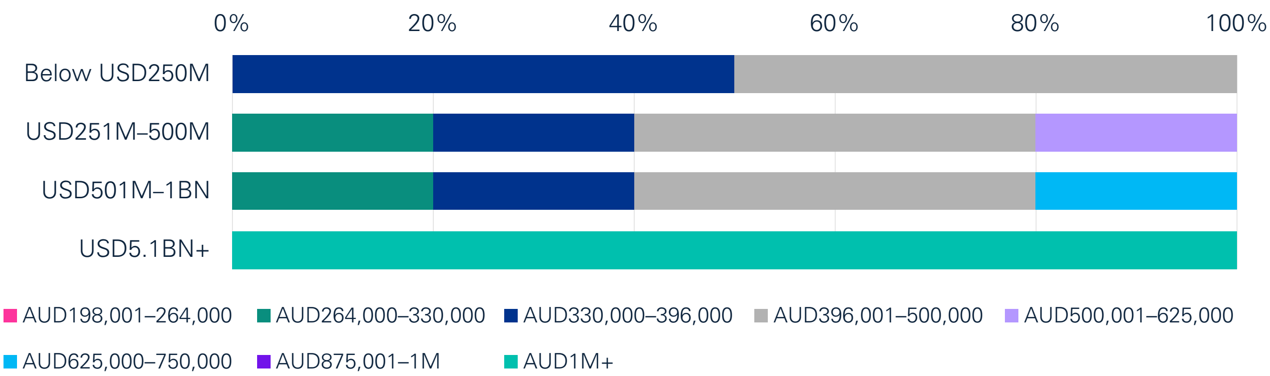
Relationship with the Principal

LTIPs

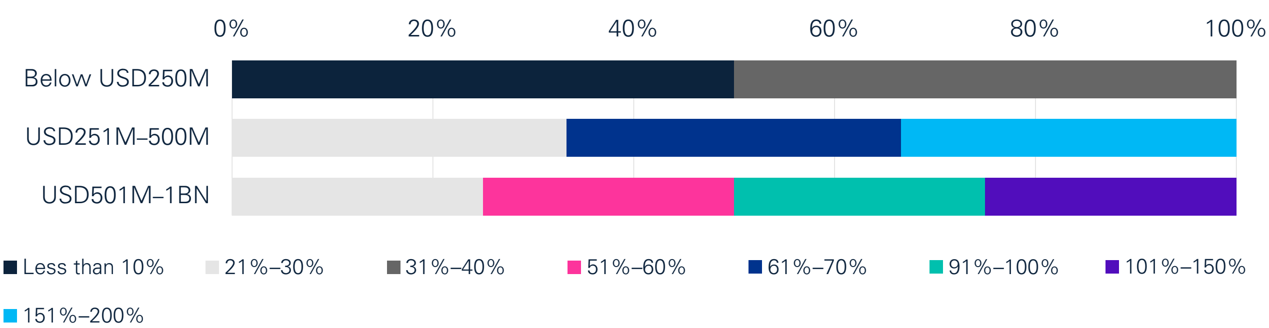
27% of Family Office professionals in Australia are offered a Long-Term Incentive Plan (LTIP) of which

CEO compensation against AUM

Basic Salary

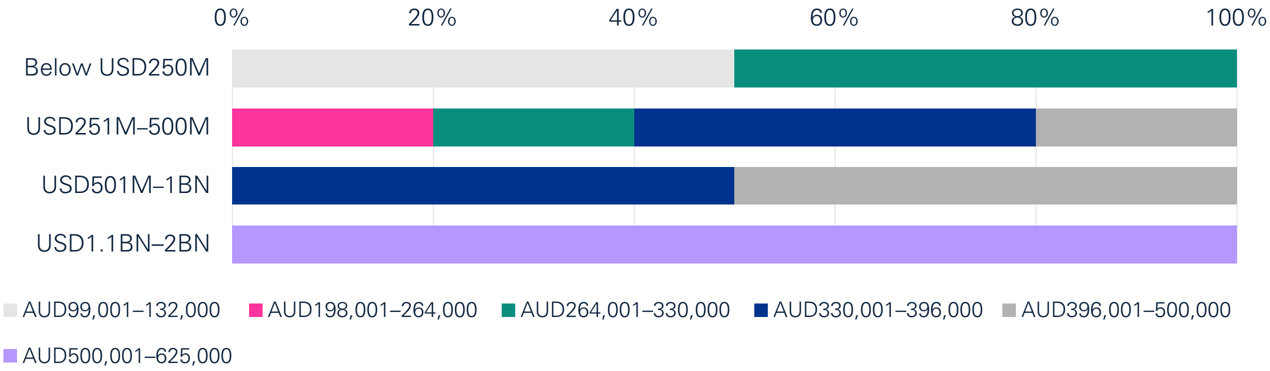


% of salary awarded as bonus

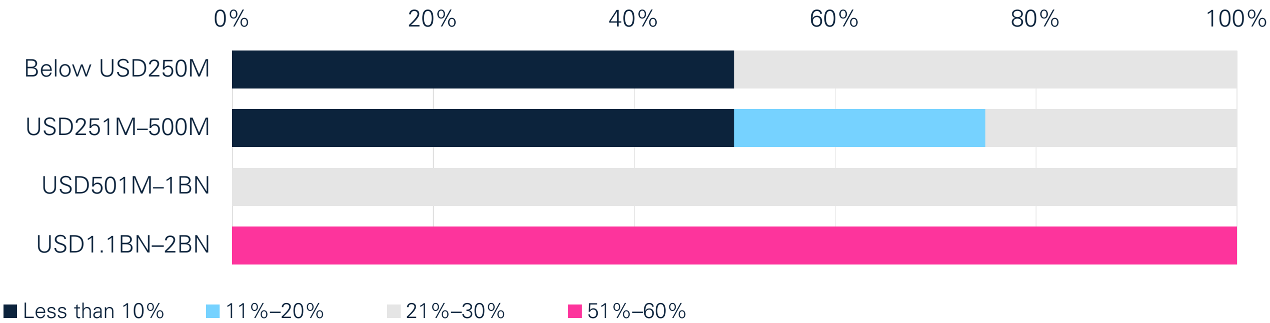


CFO compensation against AUM

Basic Salary

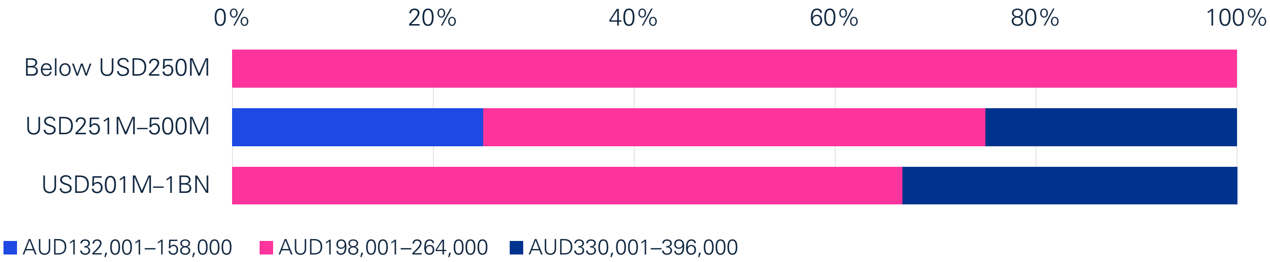


% of salary awarded as bonus

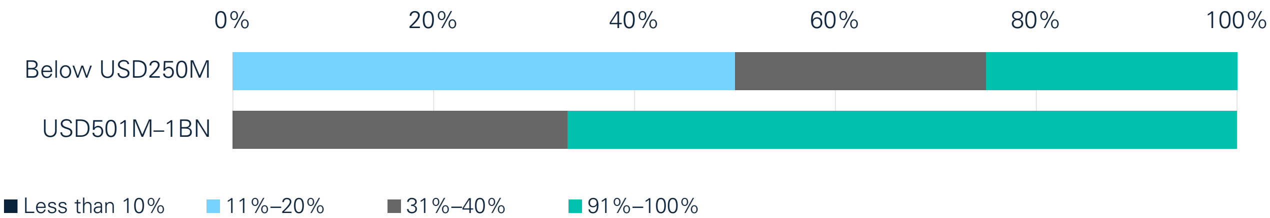


CIO compensation against AUM

Basic Salary

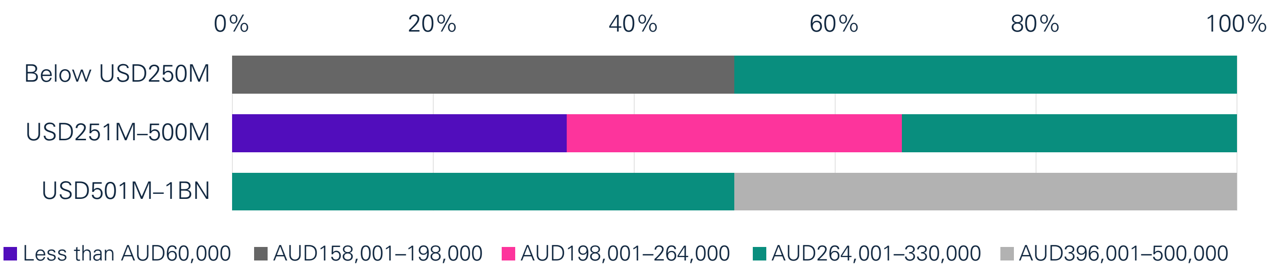


% of salary awarded as bonus

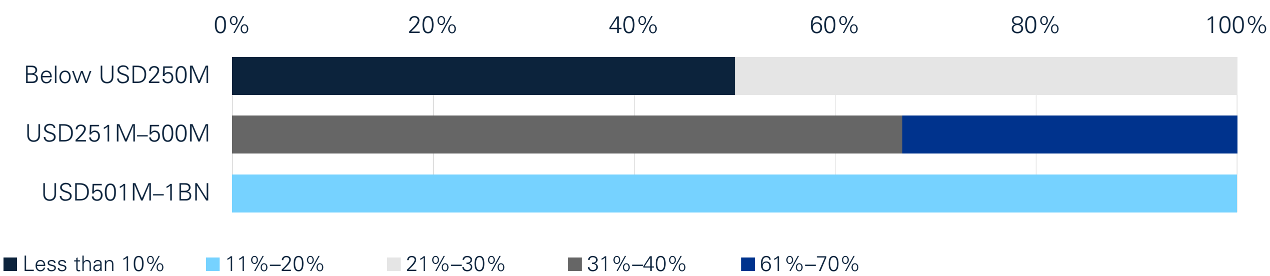


COO compensation against AUM

Basic Salary



% of salary awarded as bonus



1
2
3
4
5
6
7
8
9
10
11
12
13
14

Benefits

Are offered private health care
8%

Are offered a travel allowance
15%

Are offered a company car
12%

Are offered a gym membership
10%

Are offered paid-for accommodation
5%

Are offered flights home
5%

Other policies in place

Have a maternity policy in place
53%

Have a paternity policy in place
33%

Have an adoption policy in place
5%

Offer sabbatical leave
7%

Offer educational leave
23%

Offer stress leave
12%

Offer a vacation buy-out scheme
10%

Family Office professionals in Australia most commonly receive 20 days of annual leave **62%**

57% of Family Office professionals in Australia received an uplift in their salary in 2022

The most common uplift received by **38%** of these professionals was **6%–10%** of their annual salary

A further **29%** said they received an uplift of less than **5%**

Drivers behind uplift

Personal performance
39%

Inflation
35%

In line with overall business performance
16%

Cost of living
6%

Market data
3%

Family Office professionals in Australia are allowed to work remotely
73%

Working from home full-time
8%

87% Family Office professionals in Australia believe they perform a hybrid role

1 2 3 4 5 6 7 8 9 10 11 12 13 14

"Over the last 10 years, the number of Family Offices in Australia has increased by 150%. Indeed, 57% of respondents to our survey represented Family Offices that had been formed in the last 10 years. By and large, these are offices created by successful Australian entrepreneurs.

The economic circumstances that have prevailed since the global financial crisis of 2007-2009 have been extremely accommodating to owners of private assets, particularly in Australia. Significant asset price inflation fuelled by investor demand from cheap credit has persuaded many asset owners to accept offers for their businesses and real estate, at valuations which previously would have taken several generations to create.

It is also the case that the financial services industry in Australia has been affected by a number of issues that have decreased trust in third party wealth management and heightened the idea that a founder and their family can build their own solutions in-house. From being traditional recipients of third party services, Family Offices are now suppliers of services to usually one client being the family. Those services are being delivered by investment industry professionals and experts attracted to the more streamlined nature of working inside a Family Office."

Robyn Langsford
Partner in Charge, Family Business & Private Clients
KPMG Private Enterprise
KPMG in Australia

"In terms of my role, there are a lot of similarities between what people and culture would look like in a small boutique financial service firm and what it looks like in-house in a Family Office. Where it differs is having a clear and meaningful goal, to be leaders in our respective fields and provide excellent service to each family office member. My role is to help all our team thrive and to ensure we have a highly skilled team that is always learning and improving.

At the moment we are moving into the next round of strategy, and are forming what this will look like in the next 3 years. One of the important things will not just be setting the strategy, but thinking about what engagement and input looks like from the whole team so that we are all able to take the strategy on board and bring it to life.

Developing strong relationships with family office members is also core to what we do and forms part of our KPI's, as it helps the team perform their roles so much better and ensures we are able to provide a service to our family office members that is bespoke to each of their individual needs."

Elise Hill
Head, People and Talent Camboya Pty, Ltd. Australia

Insights from Agreus

There has been a growth in Family Offices in Australia over the past decade. Like the Middle East a vast amount of the contributors to the economy are family-owned businesses. The better the families do, the more we see the creation of Family Offices. The fact that there are no regulatory requirements for Family Offices, allowing flexibility in organizational structure also helps. There is also a broad access to professional and business services as well as an exceptional talent pool composed of a highly skilled, international and multilingual workforce. Political unrest in parts of Asia have also driven an influx of Family Offices into Australia via immigration. As with other emerging Family Office hubs Australia has challenges when it comes to recruiting the right staff. Mainly due to the nascent nature of the Family Office industry. It could benefit from leveraging upon the wider Family Office ecosystems across the world.

10 Middle East

Middle East

Key findings of Family Office CEO in the Middle East

75% of CEOs are family members in the Middle East

75% of CEOs in the Middle East are male

CEOs in the Middle East are most commonly aged between **40** and **44**

CEOs in the Middle East most commonly come from a banking background **50%**

100% of CEOs in Middle Eastern Family Offices are university educated

100% of CEOs in the Middle East who took part in the survey also had a master's degree

Family Office CEOs in the Middle East have as much chance of earning **USD264,001–330,000** as they do over USD1m.

Half are also able to earn more than **200%** of their salary as an additional bonus

USD — US dollar

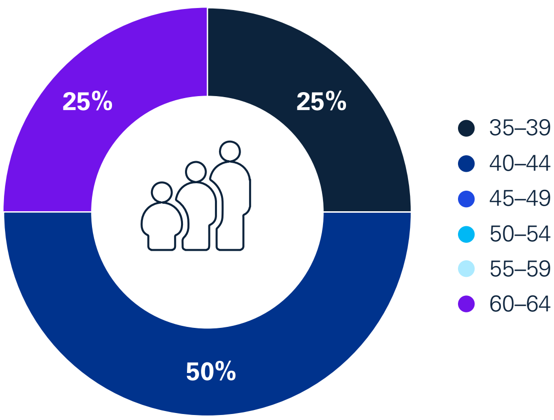
1 2 3 4 5 6 7 8 9 10 11 12 13 14

Gender

85% of all Family Office professionals in the Middle East are male

15% Female

Age



Purpose of the Family Office

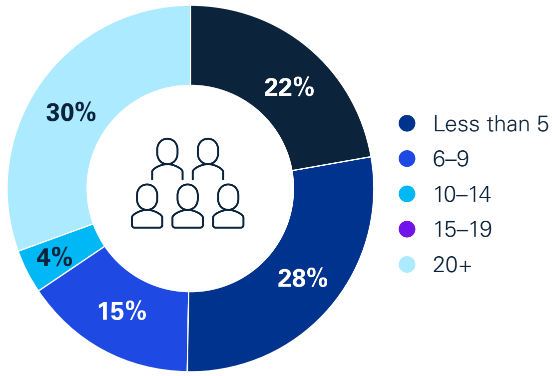
Administration of family wealth **54%**

Create risk-adjusted growth **59%**

Wealth preservation **57%**

Philanthropic initiative **15%**

Number of employees



Years in operation

37% 0–2 years

28% 6–10 years

22% 2–5 years

43% 10+ years

Generations of wealth being managed

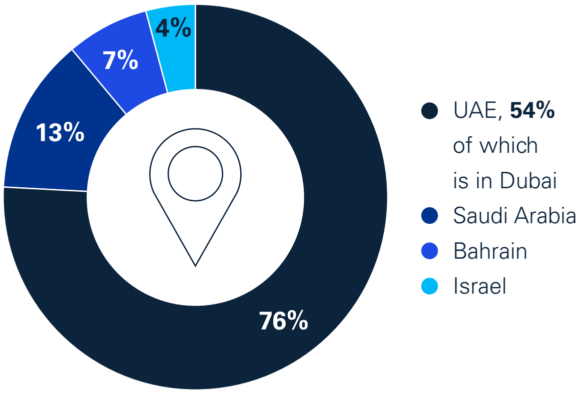
1 generation **15%**

3 generations **15%**

2 generations **59%**

4 or more generations **11%**

Locations



33% of Middle Eastern-based Family Offices also have at least one other Family Office location

53% In Europe

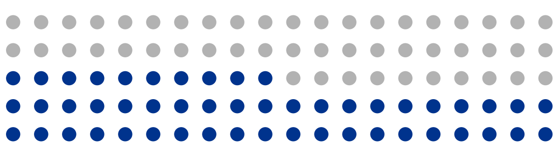
33% In Asia

7% In South America

40% Elsewhere in the Middle East

7% In North or Central America

50% of Family Offices in the Middle East have a succession plan in place



27% of C-suite Family Office leaders in the region are targeted on cutting costs

AUM

5% Below USD250M

8% USD500M–1BN

32% USD2.1BN–5BN

45% USD251M–500M

5% USD1.1BN–2BN

5% USD5BN+

Role of the Ultimate Beneficial Owner

Oversees from the Board **29%**

CEO **5%**

Chairperson **10%**

No active involvement **14%**

Oversees from the Investment Committee **43%**

It most commonly costs

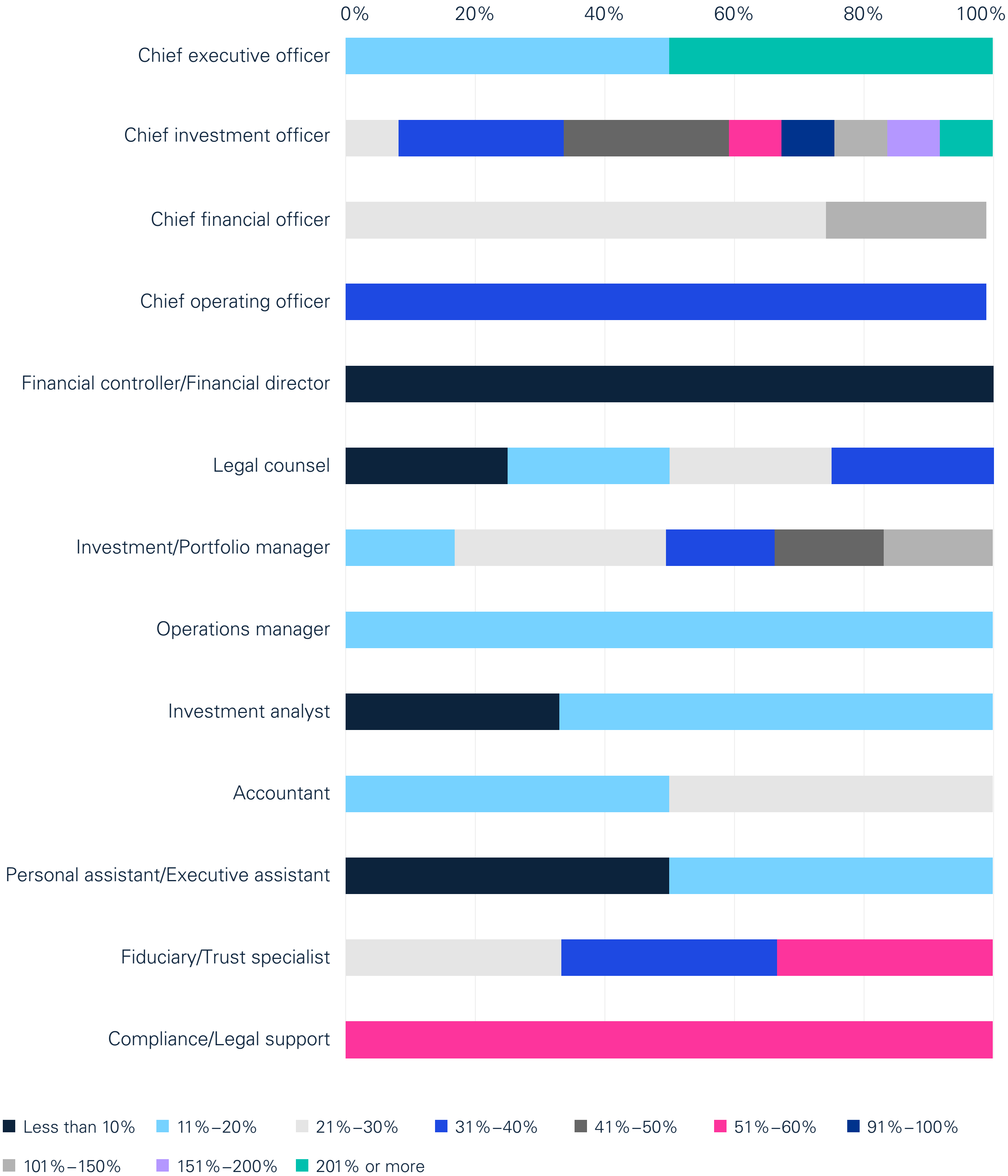
0.1%–0.5%

of AUM to run a Family Office in the Middle East

Salary

Role	Less than USD 60K	USD 60K–72K	USD 72K–85K	USD 85K–99K	USD 99K–132K	USD 132K–158K	USD 158K–198K	USD 198K–264K	USD 264K–330K	USD 330K–396K	USD 396K–500K	USD 500K–625K	USD 1M+
Chief executive officer	0%	0%	0%	0%	0%	0%	0%	0%	**25%**	**25%**	0%	**25%**	**25%**
Chief investment officer	0%	0%	0%	0%	0%	0%	8%	**38%**	15%	23%	15%	0%	0%
Chief financial officer	0%	0%	0%	0%	0%	25%	0%	0%	**75%**	0%	0%	0%	0%
Chief operating officer	0%	0%	0%	0%	0%	0%	25%	25%	**50%**	0%	0%	0%	0%
Financial controller/ Finance director	0%	0%	0%	0%	0%	**50%**	40%	10%	0%	0%	0%	0%	0%
Legal counsel	0%	**25%**	0%	0%	**25%**	**25%**	**25%**	0%	0%	0%	0%	0%	0%
Tax specialist	0%	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%	0%	0%
Investment/ Portfolio manager	0%	0%	0%	0%	17%	**33%**	17%	17%	0%	0%	0%	0%	0%
Operations manager	0%	0%	0%	0%	25%	25%	**50%**	0%	0%	0%	0%	0%	0%
Investment analyst	0%	0%	33%	0%	**67%**	0%	0%	0%	0%	0%	0%	0%	0%
Accountant	33%	**67%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Personal assistant/ Executive assistant	0%	25%	25%	**50%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fiduciary/ Trust specialist	0%	0%	**33%**	0%	**33%**	0%	0%	**33%**	0%	0%	0%	0%	0%
Compliance and legal support	0%	0%	0%	0%	0%	0%	0%	**100%**	0%	0%	0%	0%	0%

Bonus


0%
20%
40%
60%
80%
100%
Chief executive officer
Chief investment officer
Chief financial officer
Chief operating officer
Financial controller/Financial director
Legal counsel
Investment/Portfolio manager
Operations manager
Investment analyst
Accountant
Personal assistant/Executive assistant
Fiduciary/Trust specialist
Compliance/Legal support
Less than 10%
11%–20%
21%–30%
31%–40%
41%–50%
51%–60%
91%–100%
101%–150%
151%–200%
201% or more

Bonus information

65% of Family Office professionals in the region said their salary was reviewed annually

24% reviewed periodically

11% not regularly reviewed

91% receive a performance bonus

9% do not

Of those who do

83% of Middle East-based Family Office professionals receive a discretionary bonus

17% receive a formulaic bonus

Drivers of bonus

Include personal performance 62%

Overall fund performance 60%

Performance of the operating business 33%

Relationship with Principal 21%

LTIPs

24% of Family Office professionals in the Middle East are offered a Long-Term Incentive Plan (LTIP) of which

27% are offered carried interest

18% are offered co-investing opportunities

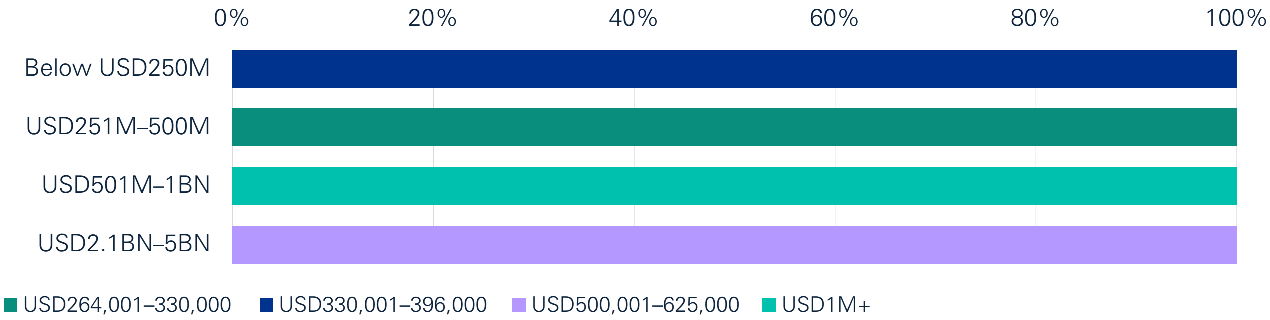
9% are offered stock options

Other responses included phantom equity, long term capped pay-out and deferred compensation

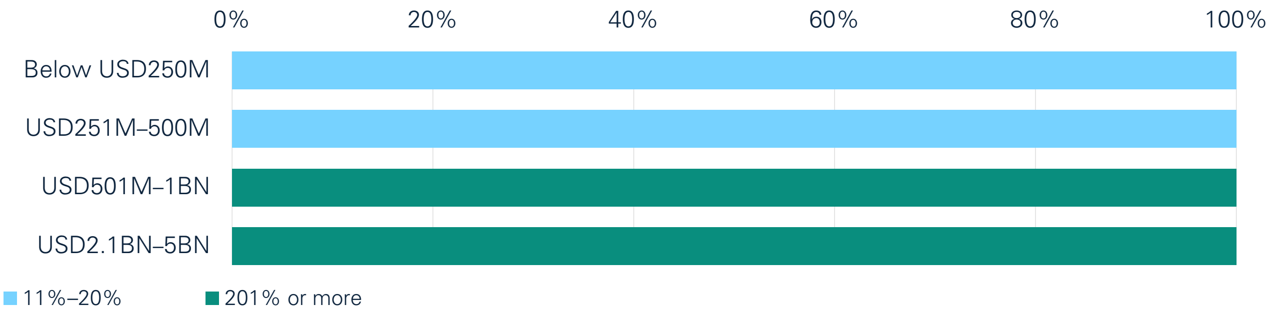
1 2 3 4 5 6 7 8 9 10 11 12 13 14

CEO compensation against AUM

Basic Salary

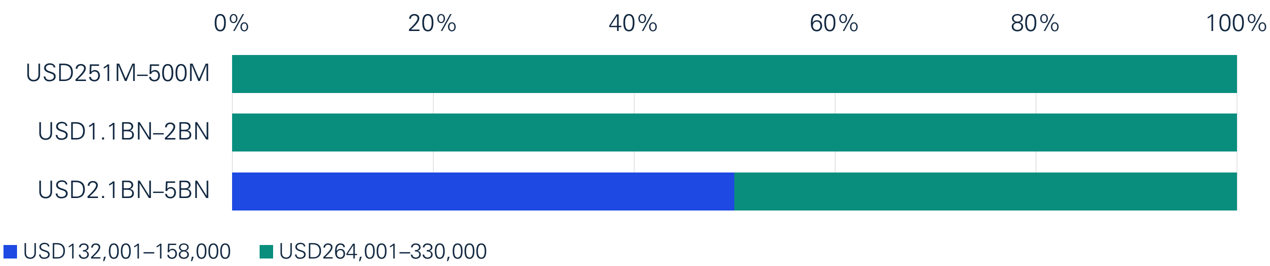


% of salary awarded as bonus

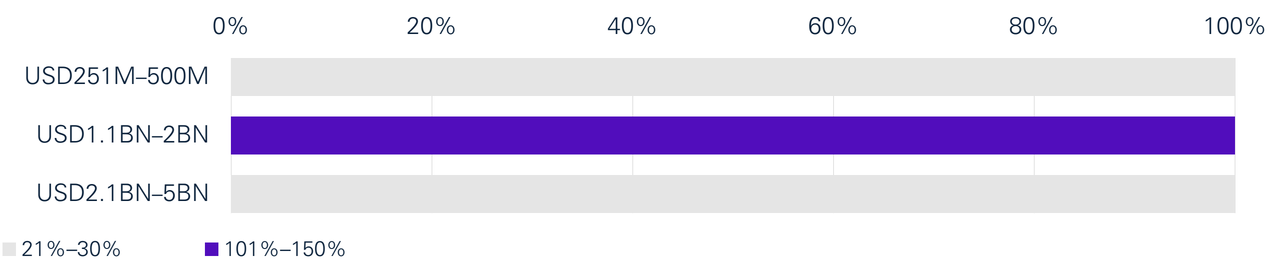


CFO compensation against AUM

Basic Salary

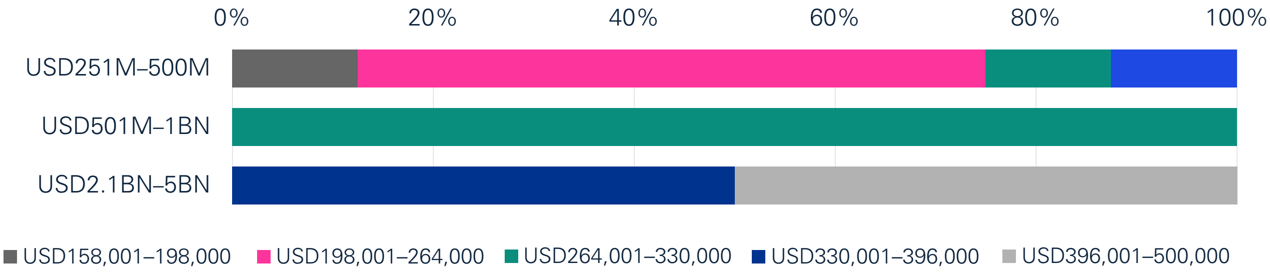


% of salary awarded as bonus

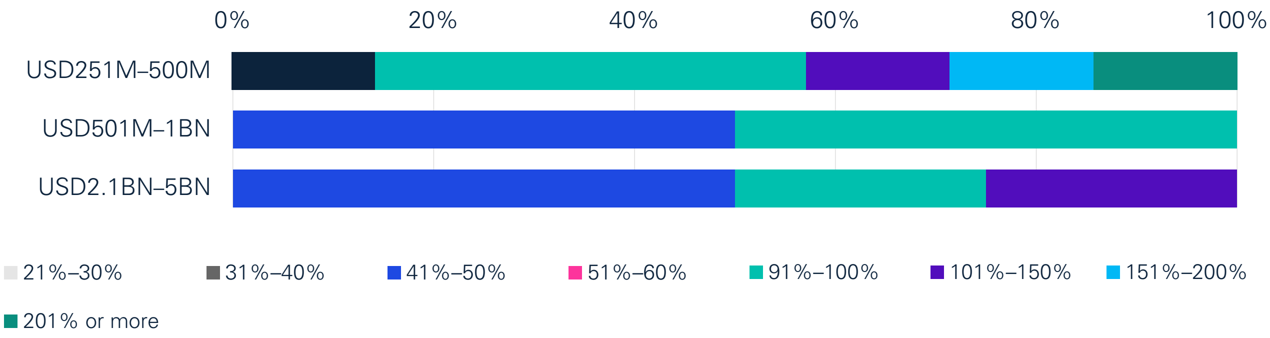


CIO compensation against AUM

Basic Salary

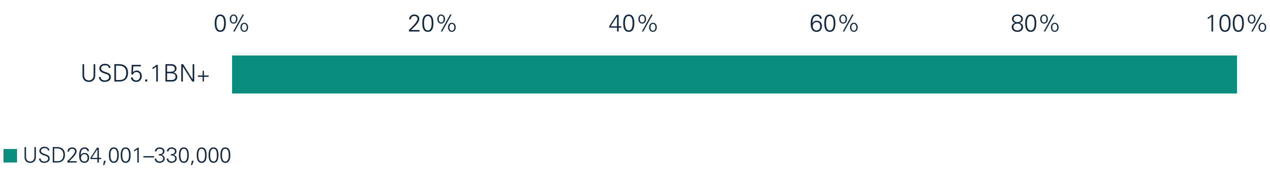


% of salary awarded as bonus

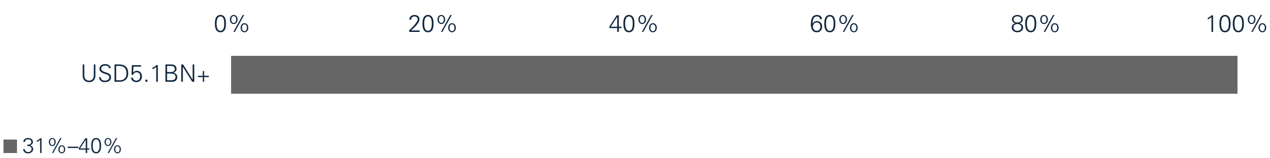


COO compensation against AUM

Basic Salary



% of salary awarded as bonus



Benefits

Are offered private healthcare
72%

Are offered flights home
57%

Are offered life insurance
39%

Are offered a travel allowance
28%

Are offered a pension
20%

Are offered accommodation
20%

Are offered a company car
17%

Are offered a gym membership
9%

Other policies in place

Have a maternity policy in place
63%

Have a paternity policy in place
41%

Offer educational leave
28%

Offer a vacation buy-out scheme
9%

Offer sabbatical leave
7%

Offer stress leave
2%

Family Office professionals in the Middle East most commonly receive 30 days of annual leave

39%

52%

of Family Office professionals received an uplift in their salary in 2022

The most common uplift received by 38% of these professionals was over 15% of annual salary

Drivers behind uplift

Personal performance
68%

Market data
14%

Inflation
9%

Cost of living
5%

Overall business performance
5%

Family Office professionals in the Middle East are allowed to work remotely
64%

Work from home full-time
11%

83%

Family Office professionals in the Middle East believe they perform a hybrid role

1 2 3 4 5 6 7 8 9 10 11 12 13 14

> If I was to put the Saudi Family Offices on a spectrum, it will be very wide — from the less professionally managed (whether embedded in an operating company or a trusted individual who manages the family's affairs) to the full-fledged investment arms. Additionally, many of the pioneering families historically opened their family offices out of the country but there seems to be a major drive towards having local presence. One of the notable drivers of why more families are opening Family Offices could be a result of succession from generation to generation that triggered a number of trends. When it comes to Family Offices, they are seen as a platform that can facilitate that process, help the older generation have comfort that there's a professional entity that can look into the process, and making sure the family wealth is looked after properly given the growing number of individuals within a family.

Fuad Cahpra
Head of Private Enterprise & Family Business
KPMG in Saudi Arabia

"2022 drawdown has reminded many investors about how correlated many of the traditional asset classes can be and the importance of running a structured investment program with strong downside protection built in. Last decade of low interest rate environment has resulted in many Family Offices rushing into more growth style equity risk portfolios (heavy exposure to tech both in private and public markets) and I feel that 2023 will start the shift in family offices looking for more uncorrelated strategies and portfolios with strong downside protection. I will also add that historically it was not uncommon for many family offices to focus more heavily on investments and less on having a robust sophisticated operational infrastructure but this trend has started to change as Family Offices with poor liquidity and risk management struggled during the recent banking crisis.

It is important to keep in mind that there is no uniform investment approach amongst the family offices (for the right reasons!) with some opting for direct investment approach in underlying companies operating in sectors which the families are familiar with and others opting more towards the "Endowment model" of investing in fund managers for the long term. Regardless of the approach adopted, the long-term nature of Family Office capital is a critical differentiating factor for the recipient. That said, Family Offices had to compete against other capital pools in the last decade for access to capacity constrained fund managers and investment opportunities. These capital pools may start retreating either partially or completely which offers another attractive opportunity for long-term-focused family offices to deploy capital."

Vignesh Vijayakumar
COO — Miras Management,
Single Family Office, Dubai

Insights from Agreus

In the Gulf Cooperation council of the Arab states in the Gulf (GCC), family-owned businesses contribute to more than 60% of the GDP and hence their contributions to the economic growth cannot be exaggerated. They have always been a crucial part of the economy. Hubs such as UAE and KSA have always had a strong presence of Family Offices. Though not as matured and professionalized as the Family Offices in Western Europe and the US, they are not necessarily in their infancy when compared to the Family Offices in, say, Australia. The Middle East tends to host a mixed bag of Family Offices of both the institutional caliber and the ones where it is still embedded within the operating businesses and not yet fully professionalized. If the IPO activity in Saudi is a hint of things to go by, there could be more liquidity created for families that own these businesses and subsequently the creation of Family Offices to manage that liquidity. The recent initiative by the DIFC to create the Global Family Business and Private Wealth Centre is an anticipation of things to come. We believe the Middle East will continue to be a hot bed for Family Offices.

11

A focus on Investments

In the last year, the rising interest rates brought in to counter the high inflation, coupled with Central Banking liquidity concerns have created a theme of uncertainty. The global geopolitical situation is not in an ideal state either. It is forcing Family Offices to constantly review their strategic asset allocation. Family Offices are reducing their exposure to fixed income and re-allocating back to Private Equity (both via funds and direct), Real Estate and Private Credit. Essentially, they are sacrificing liquidity in pursuit of sensible returns. Families are looking for alternative diversifiers in the illiquid space at a time when listed securities are still considered overvalued. However, as per our surveys, it is interesting that most of the Family Offices manage below USD500M in assets and allocations to Equities (both public and private) continue to dominate their portfolios. There also seems to be a global trend where most families are expecting an ROI between 7 percent and 10 percent. Family Offices with younger flagbearers from the next generation appear to have an appetite for sustainable investments and in some cases also digital assets. However, the allocations to digital assets are far lower than expected and to what many commentators may lead you to believe.

The trend in professionalizing Family Offices has seen the implementation of better governance and practices to ensure checks and balances are in place. It is common for Family Offices now to appoint non-executive boards and investment committees composed of external advisors to be able to offer their investment teams that sounding board.

1 2 3 4 5 6 7 8 9 10 11 12 13 14

What asset classes are you invested in and how are these allocated?

Asset class \ Allocation	0–5%	6–10%	11–15%	16–20%	21–30%	31–40%	41–50%	51–60%	61%+
Equities	18.1%	16.8%	10.5%	12.8%	14.5%	12.2%	7.6%	6.2%	4.6%
Fixed Income	33.6%	20.7%	14.5%	15.8%	7.2%	3.9%	3%	1%	1.6%
Private Equity	24.7%	17.1%	17.4%	15.8%	12.5%	4.6%	5.6%	2.6%	2.3%
Property	25.7%	20.4%	14.8%	14.8%	10.9%	5.9%	3.9%	2.3%	3.9%
Hedge Funds	63.2%	15.5%	8.9%	6.9%	3.3%	0.7%	1.3%	0%	0.7%
Venture Capital	56.6%	20.7%	9.9%	7.9%	2.3%	2%	0.7%	0%	0.7%
Structured Products	88.8%	5.6%	3%	2%	0.3%	0.3%	0.3%	0%	0%
Commodities	83.2%	9.2%	3.3%	2.6%	0.3%	0.3%	0%	0.7%	0.3%
FX	88.8%	7.9%	1%	1%	0.7%	0.7%	0.3%	0%	0%
Cryptocurrencies	97%	1.6%	1%	0.7%	0%	0%	0%	0%	0%
Art and Collectibles	84.5%	9.5%	3%	1%	0%	1%	1.3%	0%	0%
Other	77.3%	10.5%	3.9%	5.3%	0.7%	0.7%	0.7%	0.3%	2.3%

Benchmarks

58% do not have an ROI benchmark in place

42% do have an ROI benchmark in place of which

17% state this benchmark is based on an index

The most popular index examples given include MSCI World, Bloomberg, ACWI, FTSE World Growth and the S&P 500.

What is the targeted annual ROI for Family Office investments?

Work to an ROI of 9.1%–10%*	16%
Work to an ROI of 7.1%–8%	14%
Work to an ROI of 8.1%–9%	12%
Also work to an ROI of 10.1%–11%	12%
Work to an ROI of 15.1%–20%	9%
Work to an ROI of 6.1%–7%	8%
Work to an ROI of 5.1%–6%	6%
Work to an ROI of 14.1%–15%	5%
Also work to an ROI of 4.1%–5%	5%
Work to an ROI of 12.1%–13%	4%
Also work to an ROI of 20%+	4%
Work to an ROI of 11.1%–12%	2%
Work to an ROI of 3.1%–4%	2%
Work to an ROI of 13.1%–14%	1%
Work to an ROI of 2.1%–3%	1%
Respondents work towards an ROI of below 2%	0%

* Most common ROI

Size of investment teams

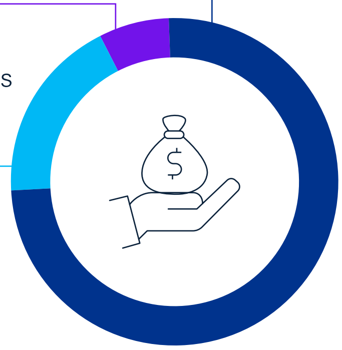
2 investment professionals working within the Family Office	25%
5 or more investment professionals working within the Family Office	22%
3 investment professionals working within the Family Office	19%
1 investment professional working within the Family Office	14%
Investments are outsourced exclusively	12%
4 investment professionals working within the Family Office	9%

How are investments made?

74% invest both directly and through funds

7% only invest through funds

19% only invest directly



1 2 3 4 5 6 7 8 9 10 11 12 13 14

"KPMG professionals are seeing an increased focus on private market investing and direct deals within Canadian single family offices (SFOs). This shift has important implications for compensation structures, as SFOs adjust to attract and retain talent and remain competitive in the current environment. As a result, greater emphasis on incentives to promote employee retention, including long-term incentive plans, performance bonuses and enhanced pension arrangements can be seen."

Yannick Archambault
Partner and National Family Office leaders at KPMG in Canada

What investment trends do you anticipate for 2023 and beyond?

"We tend to think long-term; for us, the global megatrends which matter on a 2030 horizon are:

Quantum leaps in technology

Quantum mechanics (encryption), A.I., metaverse and new energies will change many paradigms of everyday life and business.

Population aging

Europe, USA, China and Japan will see their populations decline by 2030 and beyond. This trend impacts the world's largest economies, accounting for more than 80 percent of global GDP. The least developed countries (LDCs, 46 countries in 2022) will see their population increase by more than 2 percent per year in the same period.

Climate change and ecosystem losses

Climate change, food and water shortages will increase. The intensity of extreme weather events is increasing and will continue to increase in the coming decades, meaning new systems must be built to adapt to extreme rainfall and droughts. The first climate refugees appear and this phenomenon will increase in the future (to a variable extent depending on the scenario), first and foremost in the countries of the southern hemisphere.

Social changes, societal changes

Some aspects are differentiating and used in scenarios, but some aspects are megatrends. Growth of the world population, increase in the number of displaced persons, increase in the urban population and the number of megacities. Ultra-velocity of the global diffusion of trends, ideas and fashions.

Various degrees of geopolitical polarization and economic fragmentation of the world

The keywords are VUCA and SPOF: Volatility, Uncertainty, Complexity and Ambiguity. Single Point of Failure.

All our 2030 scenarios contain some degree of geopolitical tension and the creation or strengthening of blocs and alliances by 2030. Similarly, the commercial and financial sphere is characterized by various levels of barriers and a dimension of economic and financial decoupling."

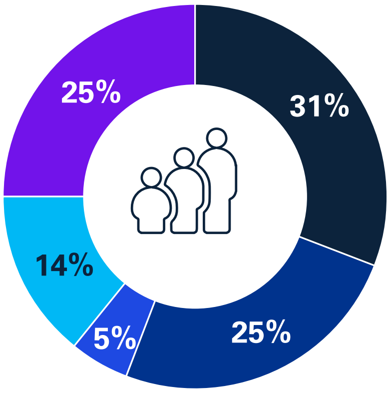
Geoffroy Dedieu, CIO
Saham Management Company, Single Family Office, Morocco

A focus on recruitment

A job within a Family Office is no longer considered a dead-end career. Contrary to that, it is now being viewed as an attractive place to work for high-caliber candidates. As many will attest, no two Family Offices are the same, which often brings its own unique challenges when it comes to attracting and retaining talent. In terms of recruitment, we have found that there are problems synonymous with Family Offices across the world. These include candidates having the problem-solving capabilities and abilities to perform in roles beyond their job description and the sharing the core values of the team. One of the biggest challenges is identifying candidates with the right cultural fit and level of emotional intelligence (EQ). Loyalty and longevity are vital to the success of Family Offices, so it is important to recruit correctly. With increasing diversification into a broader range of asset classes and in particular Private Equity, there has been a surge in recruitment of investment professionals in Family Offices. This creates additional challenges about how to compensate in relation to bonuses and LTIPs. Compensation is only part of the solution when it comes to attracting and retaining key staff. However, when a large portion of the talent pool come from highly structured and benchmarked industries such as the professional and financial services industry, it is imperative to be aware of the market standards and have a clear compensation structure that works for your Family Office.

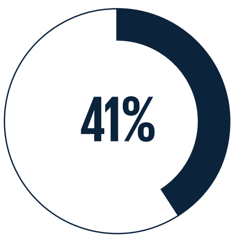
The Family Office landscape is fast growing, with Family Offices expanding their workforce and professionals in other industries looking for new Family Office roles in 2023.

Number of employees

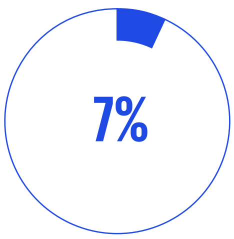


- 5 or less employees
- 6–9 employees
- 10–14 employees
- 15-19 employees
- 20 employees or more

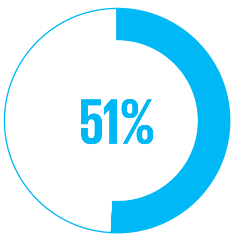
Expanding teams



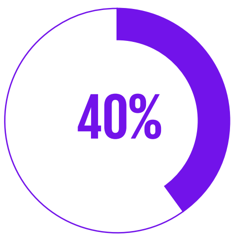
of Family Offices expanded the size of their teams in 2022



reduced the size of their teams



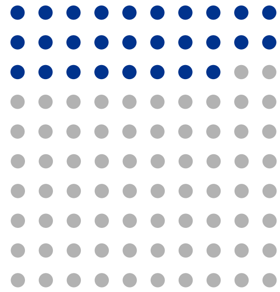
remained the same



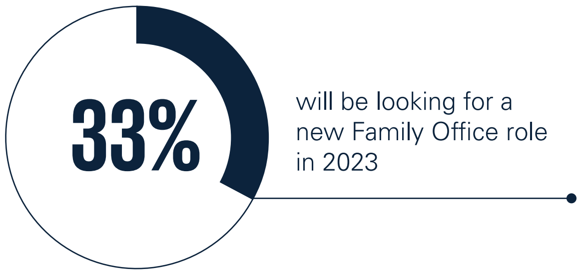
are hiring in 2023

Moving roles

28%



of Family Office professionals have moved roles within the last 3 years



will be looking for a new Family Office role in 2023

Drivers for moving roles

Family Office professionals will move roles for a growth opportunity
42%

Ability to make a greater impact
22%

Better compensation
16%

Personality clash with colleagues or a principal
6%

The ability to manage greater liquidity
2%

Different reasons which include a change in their family dynamics, better work-life balance or relocation
12%

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Remote working

74% of Family Offices facilitate working from home of which

61% work part-time from home and part-time in the office

13% work remotely full-time

26% are not allowed to work remotely

Generations involved in Family Offices

1 generation: **29%**

2 generations: **38%**

3 generations: **22%**

4 or more generations: **10%**

We asked Family Office professionals to estimate the total net worth of the family

21% less than USD250M in AUM

16% USD1.1BN–2BN

20% USD501M–1BN

11% between USD2.1BN–5BN

18% USD251M–500M

15% more than USD5BN

We asked the leaders (C-suite professionals) how much their Family Office had under management

23% below USD250M

13% USD1.1BN–2BN

26% USD251M–500M

13% USD2.1BN–5BN

19% USD501M–1BN

6% USD5BN+

1 2 3 4 5 6 7 8 9 10 11 12 13 14

Years of Family Office experience

Despite their long tenure and success

Professionals had no prior Family Office experience before joining their Family Office today
53%

Had 10 or more years of Family Office experience before joining their current Family Office
19%

Had 6–10 years of Family Office experience before joining their Family Office
11%

Also had 3–5 years of Family Office experience before joining their Family Office
11%

Had 0–2 years of Family Office experience before joining their Family Office today
7%

The most common trajectory into the Family Office world is through investment management

31% other industry launch pads include

Accountancy
15%

Banking
13%

Management Consulting
6%

Tax
6%

Legal
6%

Trust and Fiduciary
3%

Lifestyle and Concierge
1%

Other including Engineering, Property Management and graduates who joined directly after university
19%

How educated are Family Office professionals?

Family Office professionals with a master's degree
50%

Highest level of education is an undergraduate degree
41%

Family Office professionals with a doctorate
5%

(Meaning 96% of all Family Office professionals are degree educated)

Additional qualifications achieved by Family Office professionals include

14% CPA

3% ACCA

3% STEP

12% CFA

3% CIMA

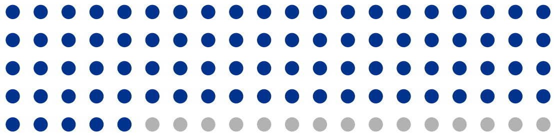
8% ACA

Others include CAIA, FRM, ACAMS, CMA, CTA, ICAEW and CISI

25% of Family Office professionals have been working for their Family Office for more than 10 years

21% of Family Office professionals have worked for their Family Office for between 6 and 10 years

85% of Family Office professionals believe they perform a hybrid role in the Family Office



56% believe they receive fair market value for the role they play

Uplift

58% received an uplift in their salary in 2022 with the most common uplift being 6%–10% (41%)

Received an uplift of 6%–10% **41%**

Received an uplift of less than 5% **21%**

Received an uplift of more than 15% **20%**

Received an uplift of 11%–15% **16%**

Of Family Office professionals received a deduction in salary in 2022 **1%**

58% of Family Office professionals are happy with their current compensation structure

Drivers behind uplifts in salary

36% inflation

8% market data

34% personal performance

6% cost of living

10% overall business performance

7% 'other' including change of role, anniversary uplift and even the war in Ukraine

1 2 3 4 5 6 7 8 9 10 11 12 13 14

1 2 3 4 5 6 7 8 9 10 11 12 13 14

A focus on Governance

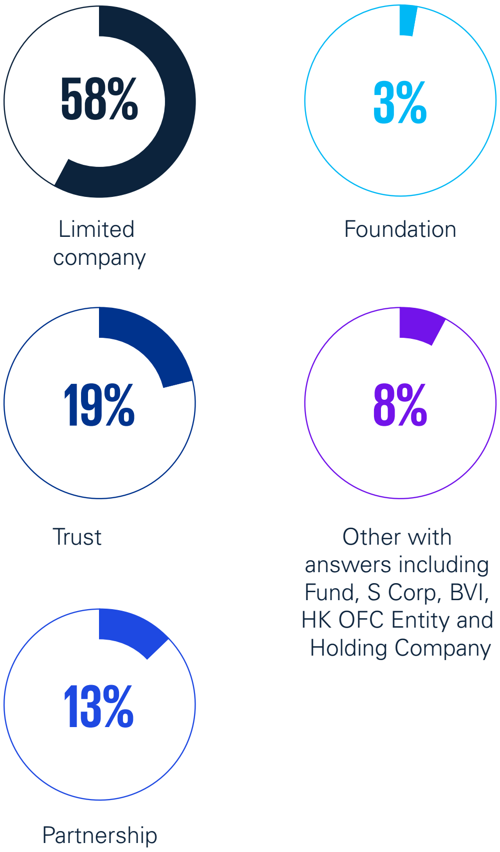
“Striking the right balance between entrepreneurial instincts and fiduciary responsibility can be notoriously difficult for founders. For many first-generation wealth creators their success has been a function of acting on gut instinct rather than seeking out the wisdom of the collective.

However, one trait common to successful entrepreneurs is the willingness to learn from their peers and develop a sense of best practice and what works for them. The governance mechanisms inside many Family Offices have emerged from such discussions. This is particularly the case over the last decade as the Family Offices model has become more established and recognized and the sector has become professionalized and, not merely co-incidental, a large number of new Family Offices have formed globally.

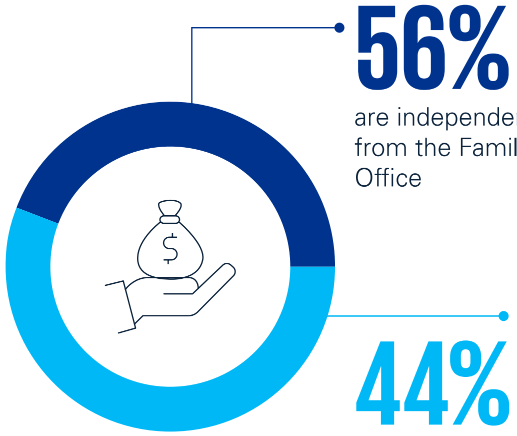
Amongst some of the key learnings have been that running family capital is different to running an operating business but needs to be undertaken in a business-like fashion. Hence the appreciation that effective risk management requires good governance and the skill sets at a committee level to match.”

Keith Drewery
Director, KPMG Private Enterprise, Australia

What is the legal structure of the Family Office you work for?



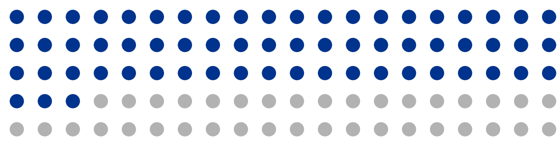
Of those who do have a formalized governance structure in place



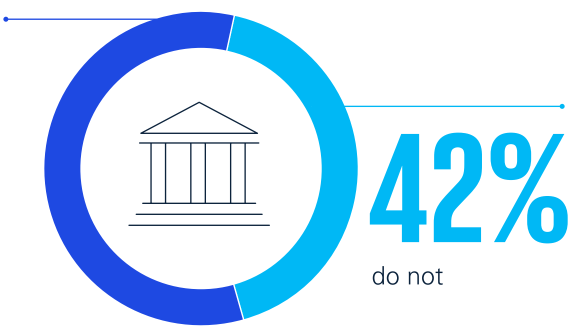
56% are independent from the Family Office

44% are tied into a wider family governance structure

63% There are no other governance policies in place outside of the Family Office

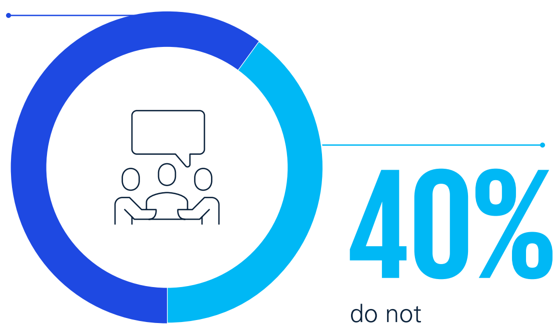


58% of Family Offices have a formalized governance structure in place



42% do not

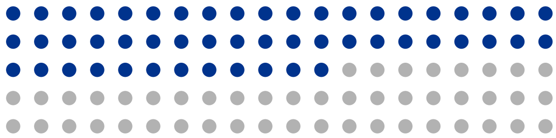
60% of Family Offices have an Investment Committee



40% do not

1
2
3
4
5
6
7
8
9
10
11
12
13
14

52% of Family Offices do not have a Family Board



64% of Family Offices also have an operating business of which

32% of Family Office professionals say they work in both the business and the Family Office

What role does the UBO play?

Oversees the Family Office from a board 27%

Act as CEO/Head of Family Office 21%

Act as Chairperson 21%

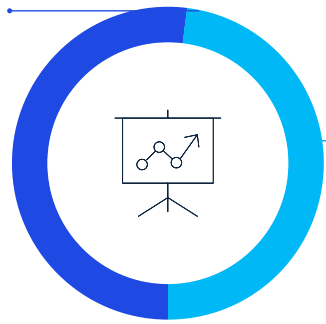
Have no active involvement 13%

Oversee the Family Office from an Investment Committee 12%

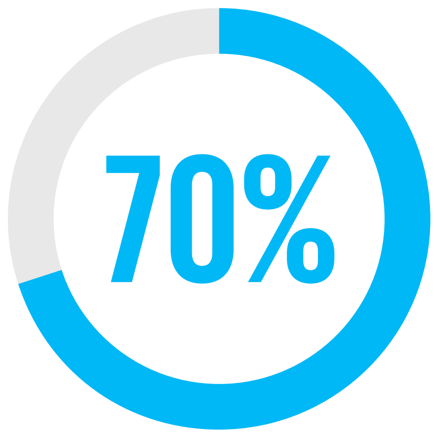
Play another undisclosed but formalized title 3%

Offered other options including Trustee and Head of Operating Businesses 10%

52% have a succession plan in place



48% do not



of Family Office professionals report to at least one Family Member

of which report to multiple Family Members

Striking similarities

While the often repeated phrase '*once you have seen one Family Office, you have seen one Family Office*' is whispered around the community, the first conclusion that can be made in this report is that the organizational structures of Family Offices are remarkably similar across the globe.

1 2 3 4 5 6 7 8 9 10 11 12 13 14

While personalities will differ in line with the families who lead them, Family Office demographics are broadly cohesive as are trajectories to leadership, ROI benchmarks, investment decisions, governance policies and the generations of wealth at play.

Family Offices are overwhelmingly managed and led by male employees with Asia hosting an almost-exclusively male workforce and the UK being the only region with over a third of their Chief Executive Officers being female (37 percent). Excluding the Middle East, the majority of Family Office CEOs are also external hires with less than a third being led by family members.

The trajectory looks very much the same for Family Office CEOs across the world too for that matter with Investment Management being the springboard for Family Office leadership and almost every CEO boasting at least one university degree. In fact, more than 50 percent of all Family Office employees bring a master's in business administration to the table making Family Office professionals a truly remarkable collection of individuals.

It should come as no surprise therefore that compensation for these individuals can reach extraordinary figures.

Chief Executive Officers in UK-based Family Offices can take home in excess of £1M in basic salary alone (9 percent) although the most common salary received by these individuals sits between £198,001 and £264,000. It is the same salary band that most Chief Investment Officers and Chief Financial Officers placed themselves in for the UK.

While the figures do differ depending on role type and location, seven figure salaries are not unheard of in the Family Office world and nor are they uncommon.

On top of basic salary, 80 percent of Family Office professionals receive a performance bonus which can reach over 200 percent of their basic salary and a further 23 percent are offered a long-term incentive plan (LTIP). The most common LTIP offered is carried interest (44 percent) but other options were noted during the survey including co-investing, deferred loans, and stock options.

North and Central America are where most C-suite leaders receive between USD198,001 and USD264,000. Many regions offered a similar pattern in their own currencies aside from the Middle East which offered quite an interesting disparity. CEOs in Middle Eastern Family Offices have as much chance of earning USD264,001 as they do USD1M. There are of course other benefits offered to the professionals who work within Family Offices, and it was reassuring to see how the majority also have structured policies in place for the likes of maternity, paternity, adoption, sabbatical, stress, and medical leave.

Thinking back to organizational structure and despite being more prominently on the agenda governance is still yet to be taken seriously by half of today's wealthy families surveyed. 52 percent of Family Offices have no Board, 40 percent have no investment committee, 42 percent have no formalized governance structure and 48 percent have no succession plan in place. This could be one reason why Family Offices across the globe rarely have more than two generations of wealth in play with Australasia most-commonly hosting one generation of wealth and every other continent managing two. Just 11 percent of Family Offices in North and Central America and the Middle East host more than four generations of wealth and this figure is much higher than their neighboring regions.

Despite this, longevity is still key. One in 4 Family Office professionals have worked for their Family Office for more than 10 years while a further 1 in 5 have worked for their Family Office for between 6 and 10 years. With 58 percent happy with their current compensation structure, one could argue that longevity is valued by Family Offices but opportunity is calling.

In an era where the number of vacancies outweigh the number of unemployed candidates, Family Offices should have reason to worry. A third of professionals said that they would be looking for a new Family Office role in 2023, an increase from the 28 percent of professionals who have moved Family Office roles over the last 3 years. The biggest drivers behind this mobility included Family Office professionals seeking a growth opportunity (42 percent), looking to make a greater impact (22 percent), receiving better compensation (16 percent), moving away from a personality clash with colleagues or a principal (6 percent) and managing greater liquidity (2 percent). Others suggested they were looking for a better work-life balance, but it seems this is one area already being taken seriously by Principals with 74 percent offering remote working opportunities.

While Family Offices arguably take a similar shape in every part of the world, there were some surprises. For instance, while Family Offices most commonly have less than 5 employees, a remarkable 25 percent have over 20 — a far cry from the small and intimate teams often seen in the community. This is potentially a result of increasingly diversified portfolios and impending regulation which has seen in-house demand for specialized investment analysts and in-house compliance managers surge.

Another surprise came from the Middle East while most Family Offices are led by external hires, 75 percent of CEOs in this region are family members. This could be down to the surge in initial public offerings witnessed following the listing of Saudi Aramco in 2020 and the liquidity they created which saw lots of Family Businesses opening Family Offices but running them much the same way as they ran the business.

In fact, it is this incredible close tie that exists between Family Offices and Family Businesses which presented a location-agnostic surprise when creating this report. While just 25 percent of Family Offices are structurally embedded into an operating business, 64 percent of Family Offices indicated that the family they work for also manages an operating business of which 32 percent said they play a part. Fifty-two percent of Family Office professionals in Australia also shared that the biggest driver behind their bonus was the performance of an operating business and the same was said for 42 percent of professionals in North and Central America, 34 percent in the UK, 33 percent in the Middle East and 29 percent in Europe.

Australia also offered a stark contrast to other regions, this time in terms of mobility. Family Offices in Australia are the least likely to have another Family Office location and of the small percentage who do, 100 percent of the second locations are found within the continent. Looking at a macro-view of all other continents however and more than 30 percent of Family Offices have more than one location, the majority of which are located internationally in a bid to decentralize risk, take advantage of tax incentives, and have a hand in global opportunities.

As was mentioned in the introduction, many Family Offices have struggled with the concept of compensation since their very inception and the decision over how to compensate critical staff members is often a product of guesswork and emotion rather than built on research or precedent.

In 2023, KPMG and Agreus believe this report can be used as both the research and precedent. Created from more than 13 years of primary data from Agreus and utilizing the voluntary responses of more than 650 Family Office professionals, jointly we have presented a benchmark in which your Family Office can standardize compensation. KPMG and Agreus have confidence in this opinion based on just how remarkably similar responses are across the globe be that from an accountant in Atlanta, Georgia or a Principal in Perth, Australia.

Family Offices are and will always be incredibly unique entities representing the incredibly unique families behind the wealth being managed; however, there is clearly a framework for organizational success, and this report presents the insights in how to achieve this over the course of this report.

Attracting and retaining critical staff is key and organizing your resources in a way that allows them to offer accountability to one another, strive for excellence and align their personal interests with your professional objectives can almost guarantee Family Office success.

About Agreus

Agreus Group is a full-service resources and recruitment consultancy dedicated to working exclusively with Family Offices throughout the world. We offer a bespoke and tailored service which unlike others isn't focused on specialism or industry but rather, tailored to each Family Office. We specialise in placing entry-level through to executive-level professionals within Investments, Legal, Accountancy and Finance and Operational roles. Our sole purpose is to find an effective solution to the people-problems faced by Family Offices globally and since founding more than a 13 years ago, we have become an established presence in the United Kingdom, Europe, United States of America, Asia Pacific and Middle East. Our experience has given us unique access to primary data and intelligence within the Family Office space and enabled us to be an authoritative voice as a Family Office thought leader.

www.agreusgroup.com

About KPMG Family Office & Private Client practice

The KPMG Private Enterprise Family Office and Private Client Network's professionals understand that not every family and private entity is the same. We provide bespoke support customized to the needs of you and your families. We advise on the establishment and operation of family offices with a focus on growth while helping to preserve your energy. We assist individuals, families and family offices operating in all sectors, irrespective as to how their wealth and success has accumulated.

Visit: kpmg.com/familyoffice

Agreus Group Contacts

Paul Westall
Co-Founder
Agreus
E: paulw@agreusgroup.com

Tayyab Mohamed
Co-Founder
Agreus
E: tayyabm@agreusgroup.com

Jeremy Green
UK Team Head at Agreus
E: jeremyg@agreusgroup.com

Pierre Pineau
Singapore Team Head at Agreus
E: pierrep@agreusgroup.com

KPMG Contacts

Greg Limb
Global Head of Family Office
and Private Client
KPMG International, and Partner
KPMG in the UK
E: greg.limb@kpmg.co.uk

Brad Sprong
Partner & Tax Industry Leader
KPMG Private Enterprise
KPMG in the United States
E: bsprong@kpmg.com

Yannick Archambault
Partner and National
Family Office leader
KPMG in Canada
E: yarchambault@kpmg.ca

Hugues Salome
Partner, KPMG Private Enterprise
KPMG in Switzerland
E: hsalome@kpmg.com

Karmen Yeung
Tax Partner
KPMG Private Enterprise
KPMG in China
E: karmen.yeung@kpmg.com

Robyn Langsford
Partner in Charge
Family Business & Private Clients
KPMG Private Enterprise
KPMG in Australia
E: rlangsford@kpmg.com.au

Fuad Cahpra
Head of Private Enterprise & Family
Business, KPMG in Saudi Arabia
E: fchapra@kpmg.com

Keith Drewry
Director, KPMG Private Enterprise
KPMG in Australia
E: kdrewery@kpmg.com.au

Editorial Board

Designed by Evalueserve.

Publication name: The 2023 Global Family Office Compensation Benchmark Report
Publication number: 138766-G
Publication date: June 2023