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THE ASIA-PACIFIC FAMILY OFFICE REPORT 2024

BNP PARIBAS
WEALTH MANAGEMENT

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Forewords

Dear reader,

In these past few years, our world has witnessed unprecedented geopolitical events: a pandemic, conflicts in Eastern Europe and the Middle East, and tension between the US and China. These events have impacted the global economy and produced volatility in financial markets. The good news however is that 2024 has witnessed a significant step towards normality. US inflation has been sticky but is no longer adrift from the Federal Reserve's two percent target. This positive development is reflected in the performance of financial markets and the optimistic expectations of Asia-Pacific family offices which have around a third of their assets in North America.

It is pleasing that family office executives and family members participating in our survey view their family offices as effective at making informed decisions and managing the transfer of family wealth across generations. Among other aspects, the majority are also happy with the investment functions of their family office, which is important because managing investment risk is seen as the primary function of any family office.

As stewards of substantial wealth and influential players in the regional economies, family offices are navigating an environment characterised by complex societal developments, shifting investment landscapes, and generational change. They are responding to these challenges by professionalising their investment activities, strengthening their governance, and building management competence. The task is not yet complete, more needs to be done in all these areas of activity, but as this document testifies, substantial progress has been made.

I would like to extend my gratitude to our partner BNP Paribas Wealth Management, for their enduring commitment to the community and this report. I would also like to express my deep appreciation to the numerous family office leaders who have contributed their time and insights to this report. Their perspectives have been invaluable in shaping a comprehensive understanding of the current state and future direction of family offices in the region.

As always, Campden Wealth remains committed to supporting the family office community with cutting-edge research and thought leadership, and as a platform for collaboration and knowledge sharing.

Warm regards,



Dominic Samuelson
Chief Executive Officer
Campden Wealth



Dear reader,

It is with great pride that we present the Asia-Pacific Family Office Report 2024 in partnership with Campden Wealth. This report offers a timely and comprehensive view into the evolving priorities, challenges, and opportunities facing family offices across the region.

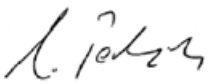
As a trusted advisor to many of Asia's most prominent families, we have witnessed firsthand the remarkable transformation of the family office landscape. From Hong Kong to Singapore to Dubai, family offices are not only growing in number but also in sophistication. They are embracing professionalisation, investing in technology, and adopting forward-looking governance frameworks to ensure the long-term stewardship of wealth across generations.

This year's report highlights several encouraging trends. Family offices are increasingly confident in their investment strategies, with many striving for double-digit returns. There is a clear pivot toward growth-oriented portfolios, responsible investing, and impact-driven philanthropy—reflecting a broader desire to align wealth with purpose. At the same time, the report does not shy away from the challenges: succession planning, talent acquisition, and navigating geopolitical uncertainty remain top of mind.

At BNP Paribas Wealth Management, we believe that family offices are uniquely positioned to lead with purpose, agility, and resilience. Our role is to support them with tailored investment solutions, strategic advice, and a deep understanding of the regional and global forces shaping their decisions. We are proud to collaborate with Campden Wealth on this important research, and we hope the insights within will serve as a valuable resource for families, advisors, and industry leaders alike.

We extend our sincere thanks to the family office executives and principals who contributed their time and perspectives to this report. Your openness and candour have helped create a rich and nuanced portrait of a sector that continues to evolve with ambition and integrity.

Warm regards,



Arnaud Tellier
Chief Executive Officer, Asia
BNP Paribas Wealth Management



Executive summary

This report, which is accompanied by North American and European editions, is based on a statistical analysis of 360 survey responses from single family offices and private (non-commercial) multi-family offices worldwide. Of these, 73 were located in the Asia-Pacific region. The survey was conducted between March and June 2024. On average, families participating in the survey have total wealth (including operating businesses) of US $1.14 billion, and their collective wealth stands at US $87 billion. Their family offices have, on average, US $0.66 billion of assets under management (AUM), whilst aggregate AUM stand at US $50 billion. Across all three geographies covered in our global report, total family office AUM is estimated at US $368 billion.



Competence

Family office executives and family members participating in our survey viewed their family offices as effective at making informed decisions and managing the transfer of family wealth across generations. In addition, the core competences of their family offices included care of elderly family members, protection of family reputation, and collaborative management of the family financial, social and intellectual capital.



Governance

Almost 80 percent of family offices have an investment committee, but much lower percentages have a family office board or family council. This may reflect the weighting of our survey responses to first-generation family offices. They tend to be "light" on governance structures and documentation because first-generation wealth creators are accustomed to making decisions independently, and don't feel the need to formalise how their family office will function.



Investing preferences

Near term Indian, Chinese and Japanese equities are all favoured. In terms of themes, growth equities, defence industries and cybersecurity top the list. But the US tech giants which constitute the "Magnificent Seven" and value equities are unloved. When considering medium-term investment however, some preferences reverse. AI becomes the most popular investment theme and value equities overtake growth equities.



Investment performance

When polled during the second quarter of the year, family offices were optimistic about their investment performance; more than 40 percent anticipated an investment return of over 10 percent for full year 2024. This favourable outcome looks increasingly realistic because stimulus measures from Beijing and expectations of US interest rate cuts have given positive momentum to regional stock markets.



Market risks

The most frequently cited concerns are delayed Fed easing, the US election, and China's real estate crisis. Last year US / China tensions topped the list. Currently, this issue has dropped down the ranking, but is expected to return with a vengeance on a two-to-five-year horizon.





Philanthropy

Driven by a strong desire to give back to society, almost three-quarters of Asia-Pacific family offices make philanthropic donations, with an average size of US $4 million. Philanthropy is seen as an opportunity to put family values into action and 90 percent believe that it strengthens cohesiveness.



Private markets

Although family offices believe that private equity offers the best risk-adjusted return, their attitude towards the asset class has cooled. They believe higher interest rates have reduced the capacity to enhance returns through leverage, and delayed exits are causing a cash-flow headache. However, they remain positive on private credit because lending rates are seen as more than adequate compensation for the risk of borrower default.



Real estate

Approximately 80 percent of family offices have some exposure to real estate and real estate is 15 percent of the average family office portfolio. There are important regional differences, but predominantly the attitude of family offices is being shaped by the challenges facing commercial property markets in China and Hong Kong. High vacancy rates and interest rates are working against investors and developers.



Recruitment

Difficulty recruiting is a common complaint of family offices, there is a limited pool of candidates with both the appropriate professional and interpersonal skills. As a result, the bonuses which more than 80 percent offer are being supplemented with other forms of incentivisation payments such as co-investment opportunities, shares of investment management profits and options on phantom equity.



Responsible investing

More than half Asia-Pacific family offices are engaged in responsible investing. For this group the most popular approach to responsible investing is outcome-focused impact investing. The vast majority of responsible investors do not believe their approach commits them to accepting lower returns, and many believe that it also reduces investment risk.



1. Family office landscape

1.1 Introduction
1.2 Overview of participants

1. Family office landscape

1.1 Introduction

"Today someone's sitting in the shade because a long time ago someone else planted a tree."

Warren Buffett

The rapid pace of economic growth in countries such as China, India, Malaysia and Vietnam has transformed many successful family businesses into large enterprises, rewarding their founders and their families. In turn, the emergence of these ultra-high-net-worth families has prompted very significant growth in the number of family offices. This is evidenced by our survey; almost forty percent of participating family offices were established in the decade leading up to 2020, and a further 25 percent were established in the subsequent four years. This would suggest that, if anything, the pace of family office formation is still accelerating. The Asia-Pacific region has been, and is expected to remain, home to the fastest-growing market for family offices.

Hong Kong and Singapore are the primary hubs for family offices in the Asia-Pacific region. These two centres are in fierce competition to attract wealthy families looking to establish family offices, and they do this by offering low-touch regulatory environments, tax benefits, and access to a mature financial ecosystem, as well providing a vibrant and sophisticated lifestyle. Hong Kong is home to 2,700 family offices and Singapore 1,400. Our survey puts the average wealth of Asia-Pacific families at US $1.14 billion which points to total regional wealth of at least US $4.7 trillion, and more if other regional centres such as Mumbai and Sydney are considered.

The process of professionalising family offices and building an institutional structure into them has been ongoing for many years. One way to assess progress is to look at the extent to which senior management roles are occupied by non-family professionals. Naturally, principals and founders of family offices are family members but across our participants one half of all chief executives and two-thirds of chief investment officers are non-family members. This provides some indication of how far professionalisation has gone, and the extent to which family offices have been professionalised. Last year more than one-third of Asia-Pacific family offices reported an increase in headcount relying on the recruitment of professional non-family staff and nearly half stepped up their investment in technology. Professionalisation and technology investment are long-term trends; it seems inevitable that they will continue to exert upward pressure on operating costs.

Governance – the rules, values and principles which formalise the family office's mode of operation – is a critical area. Here Asia-Pacific family offices appear better positioned than their global peers, but the evidence is that where there is a deficiency, it's normally first-generation family offices which are responsible. It may be that first-generation wealth creators are probably accustomed to making decisions independently and don't see the necessity of formalising family office governance. Because of the pace of family office formation this situation is likely to become increasingly prevalent.

If our survey data is indicative, then around 60 percent of Asia-Pacific family offices were established in the two decades following the Millennium. It will be from this cohort that, over the next 10 years or so, founders will be retiring to make way for control to pass to the second generation. This demography may explain why a substantial 40 percent of family offices expect this transition to occur over the next decade.

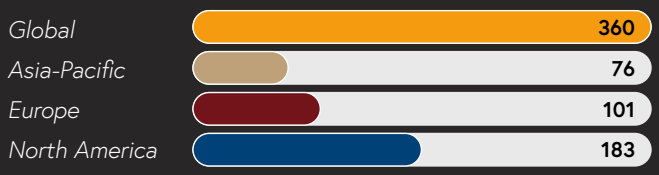
Family offices see their primary purpose as management of investment risk. It seems they are doing a pretty credible job. 85 percent of participants expressed satisfaction with the investment options offered by their family office and 67 percent with its investment performance. Participants are satisfied with the dedication of their family office staff (67 percent) and the personal services they provide (63 percent). However, only 56 percent believed their family office offers value for money.

In conclusion, the family office landscape in the Asia-Pacific region is dynamic. The importance of family-owned businesses to the region's successful economies is creating ultra-high-net-worth families which in turn need an infrastructure for the collaborative management of their wealth. Family offices are evolving to meet these needs. There are a variety of business models. They still have work to do on issues such as professionalisation, governance and succession. But the trajectory is undoubtedly upwards.

1.2 *Overview of participants*

A total of 76 family members and family office executives participated in this survey of Asia-Pacific family offices. Among them, 49 percent are family members, and 31 percent hold key leadership positions as chairperson, chief executive, founder, managing director, principal or president.

Figure 1.1: *Participating family offices by number and geography*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 1.2: *Location of Asia-Pacific family offices*

Australia	**8%**
China	**12%**
Hong Kong SAR	**36%**
India	**16%**
Pakistan	**3%**
Philippines	**3%**
Singapore	**22%**
Vietnam	**1%**

Source: Campden Wealth, The Asia-Pacific Family Office Report, 2024

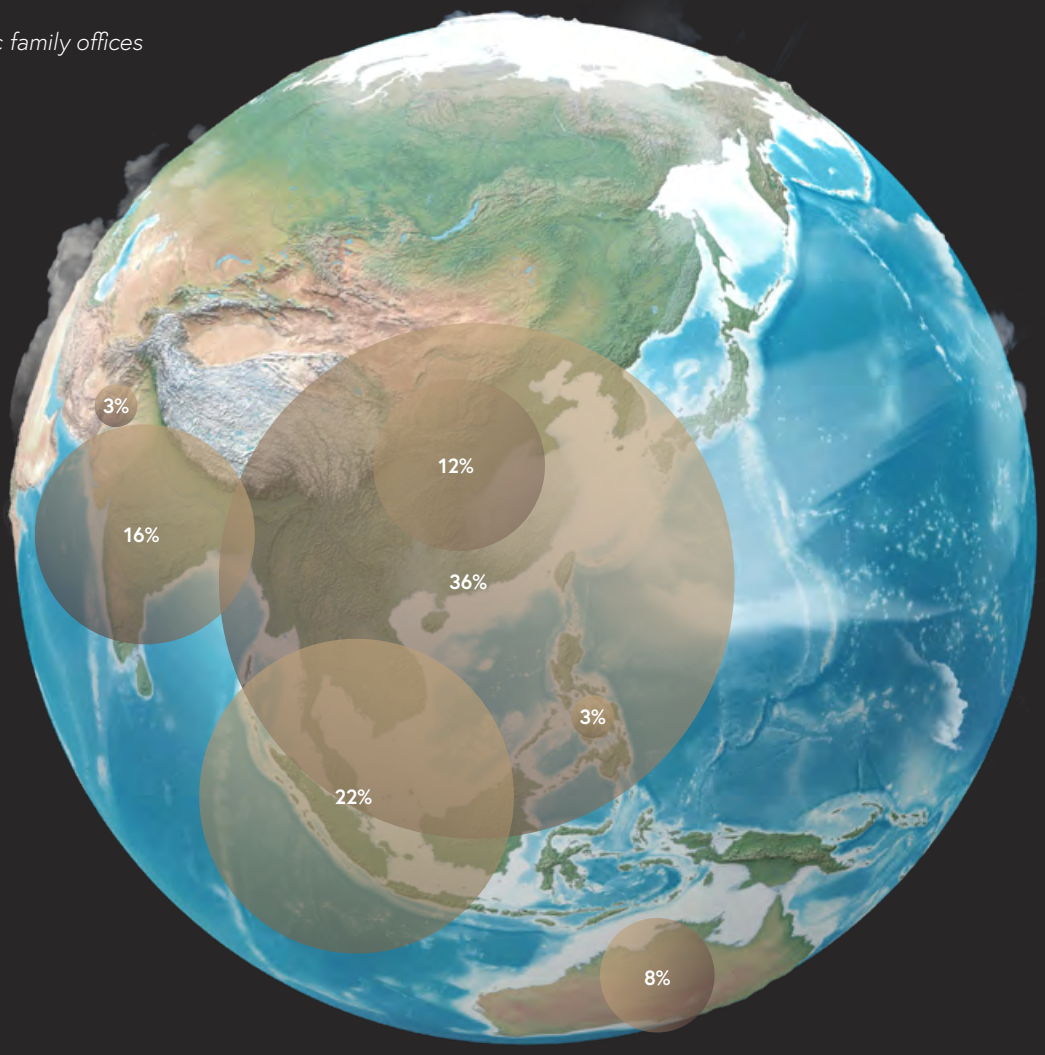
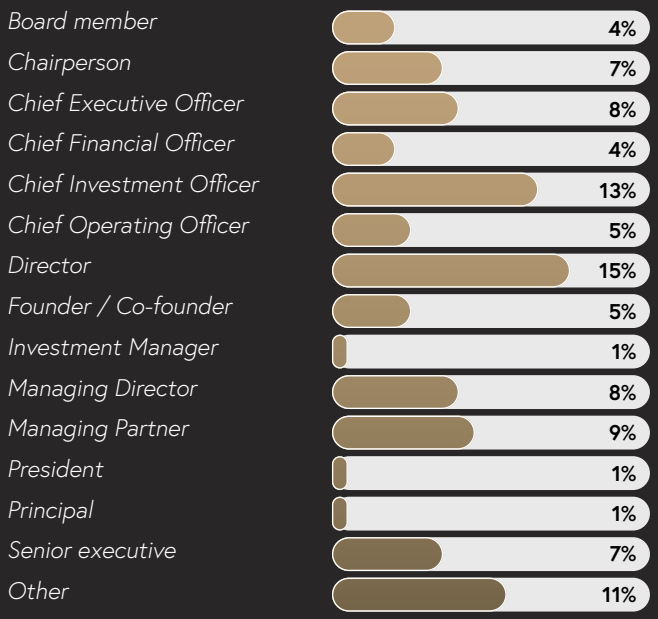
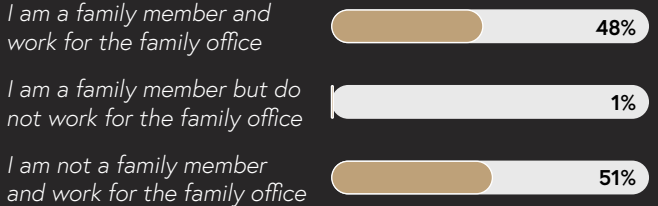


Figure 1.3: *Participants by title*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 1.4: *Respondents to family office survey by relationship*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

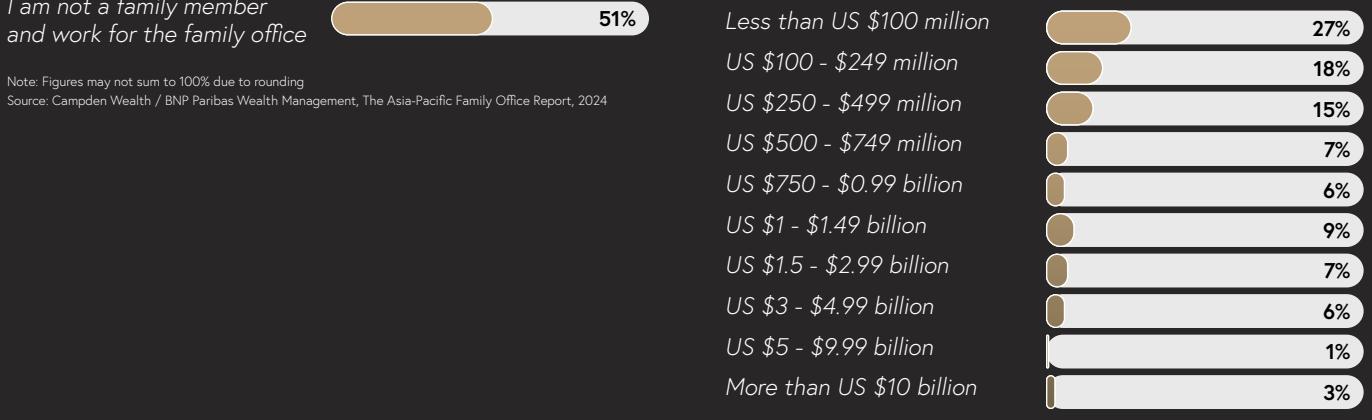
77 percent of participants represent single family offices. Of these, two-thirds are standalone legal entities which are entirely independent of any family business. The remainder are multi-family offices.

Figure 1.5: *Participating family offices by type*

Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

27 percent of families have total wealth (including operating businesses) in excess of US $1 billion, and 40 percent have more than US $0.5 billion.

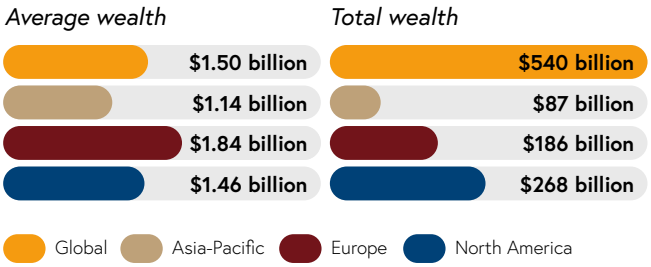
Figure 1.6: *Wealth distribution of participating families*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

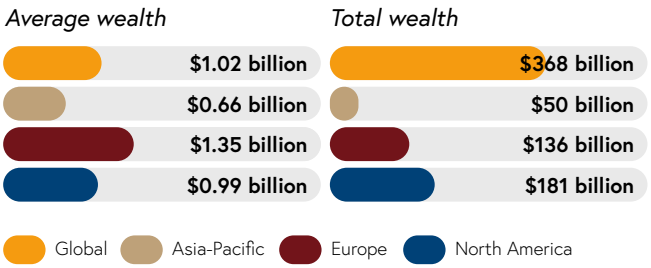
The average wealth of participating families is US $1.14 billion and their collective wealth is US $87 billion.

Figure 1.7: *Average and total wealth of families by region, including operating businesses (US $)*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 1.8: *Average and total AUM managed by family offices by region (US $)*



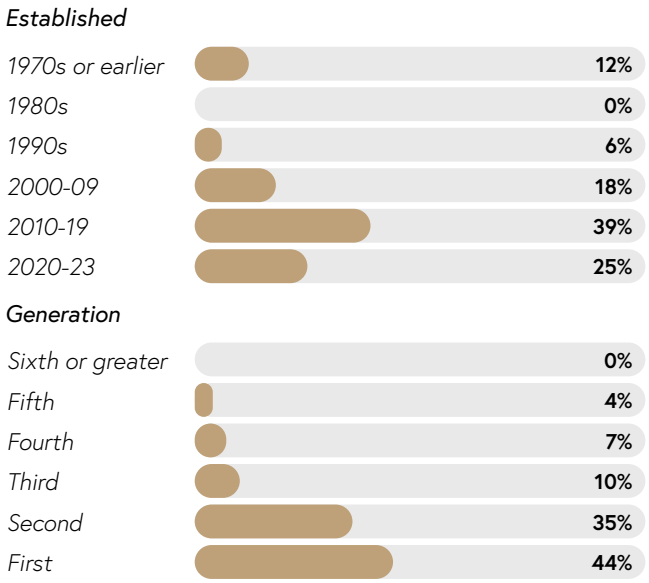
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Correspondingly, their family offices have, on average, US $0.66 billion of assets under management (AUM), and aggregate AUM of US $50 billion.

In the context of our comprehensive global report covering North America, Europe and Asia-Pacific, combined family wealth is estimated at US $540 billion, with family office AUM at US $368 billion.

Almost 40 percent of participating family offices were established in the decade to 2020. A further 25 percent were established in the first four years of this decade. This would suggest that, if anything, the pace of family office formation is still accelerating and would explain why almost 80 percent of family offices in our survey are first- or second-generation..

Figure 1.9: *Period when participating family offices were established and generation in charge*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"It's becoming increasingly fashionable to own a family office because it's a huge status symbol. Families will be happy with it irrespective of the economics. They just like having people running around assisting them with their investments, having trusted advisors, and that sort of thing. That's why I believe there will be a lot more family offices in the future."

Managing partner, multi-family office, Australia

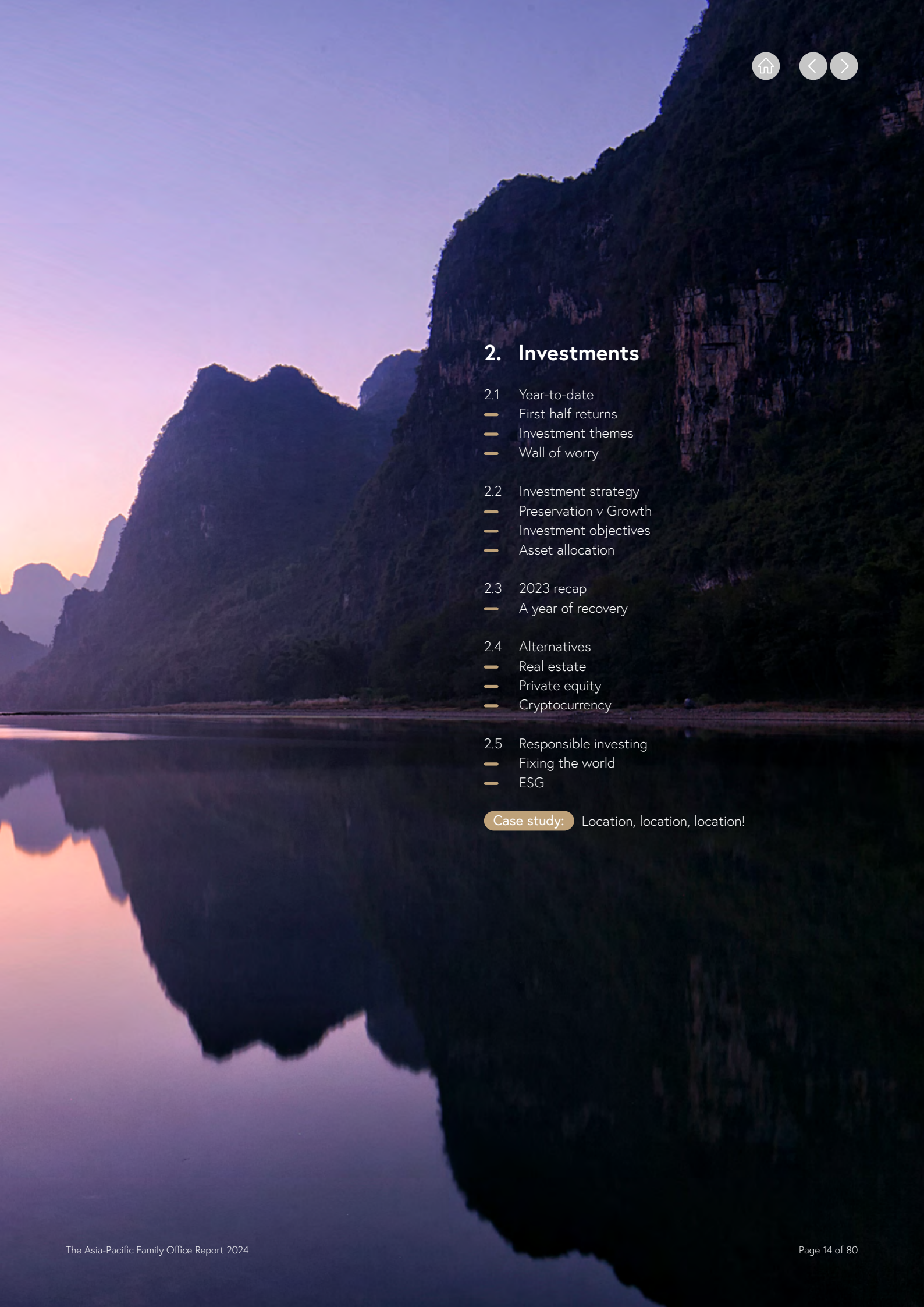
"China used to have a one-child policy which meant that families were smaller and creating a family office was rather pointless if the child had no interest in the family business. The result is that the family office concept is still very new in China. In Europe and the United States there are up to 100 family members in some of these fifth-or-sixth-generation families."

Chairman, single family office, Hong Kong

"Global trends are pushing family-run businesses to professionalise the way their assets and wealth are managed. A booming stock market, which is now the fourth largest in the world, has altered a younger generation of risk-taking wealth holders to new investment opportunities in both public and private markets."

Director, single family office, India





2. Investments

2.1 Year-to-date
- First half returns
- Investment themes
- Wall of worry

2.2 Investment strategy
- Preservation v Growth
- Investment objectives
- Asset allocation

2.3 2023 recap
- A year of recovery

2.4 Alternatives
- Real estate
- Private equity
- Cryptocurrency

2.5 Responsible investing
- Fixing the world
- ESG

Case study: Location, location, location!

2. Investments

2024 is shaping up to be a good year for investment returns. Our survey asked family offices to indicate expected investment returns (capital appreciation and income) for the full year, based on their year-to-date experience. More than 40 percent of family offices are expecting a return in excess of 10 percent; the obvious caveat being no material setback to financial markets during the second half of the year.

The region's main stock markets made hardly any progress during the first half of the year, but Asia-Pacific family offices do not have all their assets committed to the region; around 30 percent are in North America, and 12 percent in Europe. Here, equity markets performed strongly, and 55 percent of survey participants reported their performance exceeded expectations.

Family offices are positive on Indian, Chinese and Japanese equities. In terms of investment themes, growth equities, defence industries and cybersecurity top the list. But the US tech giants which constitute the "Magnificent Seven" and value equities are not in favour. When considering the medium-term investment horizon however, some preferences reverse. Value equities overtake growth equities, and AI becomes the most popular investment theme.

Last year the most common concern of Asia-Pacific family offices was US / China tensions. This year it has dropped down the ranking of concerns, rather it was delayed Fed easing, the US election, and China's real estate crisis which kept family office executives awake at night. On the positive side, the risks of a global stock market sell-off and an oil price shock are expected to diminish over time.

Traditionally real estate is a popular asset class for family offices, around 80 percent are investors in the sector. But, with the exception of India, the attitude of family offices is being shaped by the challenges facing commercial property markets in China and Hong Kong where high vacancy rates are working to the advantage of tenants and high interest rates are depressing activity.

46%

Expect full year investment returns in excess of 10 percent

55%

State performance of developed market equities exceeded their expectations

61%

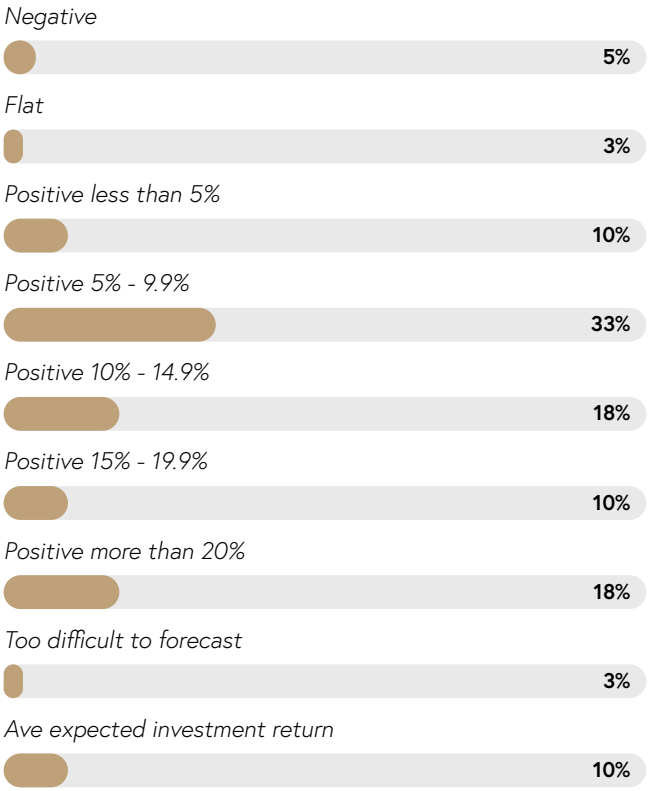
Highlighted risk of delayed Fed easing

2.1 Year-to-date

First half returns

2024 is shaping up to be a good year for investment returns. Our survey asked family offices to indicate expected investment returns (capital appreciation and income) for the full year, based on their year-to-date experience. The survey was undertaken March through June and paints a fairly encouraging picture for the first half. This may not prove indicative of the eventual full-year outcome, but more than 40 percent of family offices are expecting an annual return in excess of 10 percent with just five percent anticipating a negative outcome (**Fig 2.1**).

Figure 2.1: *Percentage of family offices indicating expected investment return*

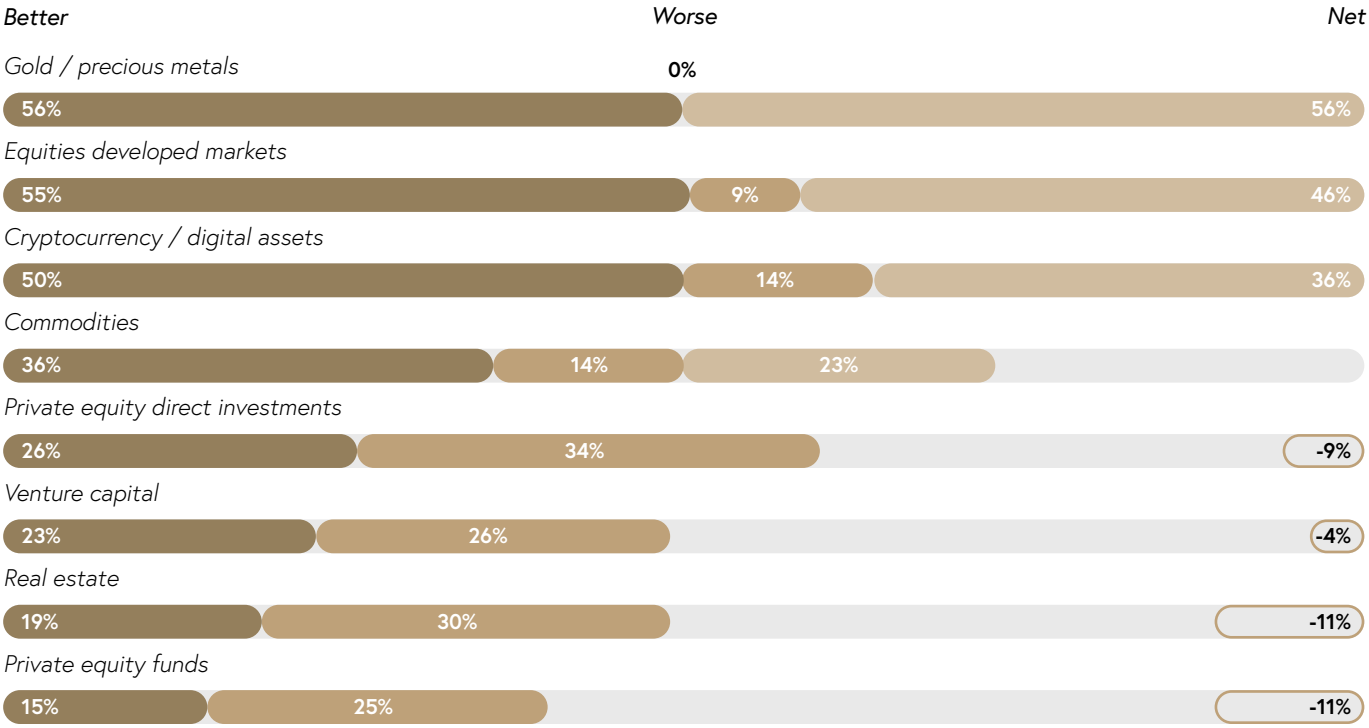


Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Looking at the recent performance of public markets, it seems that the projections made by family offices could be too conservative. Over the course of the first half of the year the region's main stock markets made hardly any progress. The Strait Times index advanced three percent, the Hang Seng Index four percent, and China's CSI 300 one percent. India and Taiwan were notable exceptions. But, driven by stimulus measures from Beijing and expectations of US interest rate cuts, all this changed dramatically during the third quarter, so that the three aforementioned regional indices are likely to show annual gains of around 15-20 percent. Also, Asia-Pacific family offices do not have all their assets committed to the region; around 30 percent are in North America (**Fig 2.13**). Here, equity markets have also performed strongly with the S&P 500 and Nasdaq both likely to show annual increases of around 30 percent.

We know from our survey that family offices benefitted from this capital appreciation. 55 percent reported developed market equities performing better than expectations and gold, cryptocurrencies, and commodities also outperformed (**Fig 2.2**). On the other hand, significant percentages indicated returns from private markets and real estate were weaker than anticipated.

Figure 2.2: *Percentage of family offices indicating investment return better / worse than expectations since start of 2024*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Investment themes

For both private and public equity, it is instructive to look at the investment themes or asset classes which Asia-Pacific family offices believe will provide them with the best returns both in the near term (next 12 months) and over the medium term (two to five years). **Fig 2.3** reveals that in terms of asset classes Indian, Chinese and Japanese equities are all favoured. In terms of themes, growth equities, defence industries and cybersecurity top the list. But the US tech giants which constitute the "Magnificent Seven" and value equities are unloved.

When considering medium-term investment however, some preferences reverse. AI becomes the most popular investment theme and value equities overtake growth equities. Chinese equities become even more popular which must reflect perceptions of their recovery potential. Semiconductors, obesity drugs, and autonomous vehicles are increasingly popular themes.

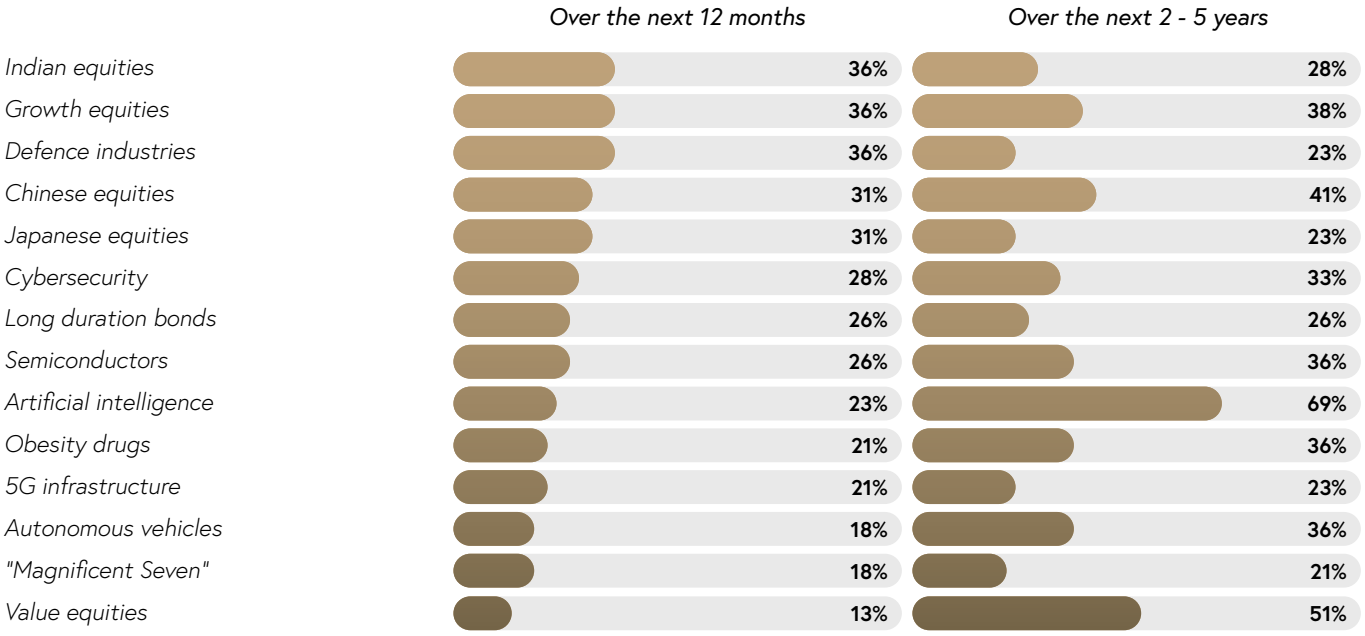
"There's some security in buying companies that have well-proven business models, strong financial position, fortress balance sheets, not reliant upon external funding and pay regular dividends. Our portfolio turnover is almost glacial, we expect good companies to deliver over the long term and this strategy generally does better than the latest market speculation."

Chief investment officer, single family office, Singapore

"Inflation is public enemy number one for investors, and now it's systemically embedded, which is the worst possible economic outcome. I would prefer a sharp recession to bring inflation down and reset rather than this ongoing stagflation. For many asset classes, nominal yields are too low to give a real return. Governments are effectively confiscating assets from their citizens."

Managing partner, multi-family office, Australia

Figure 2.3: *Percentage of family offices selecting asset class / investment theme as likely to reward shareholders*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Wall of worry

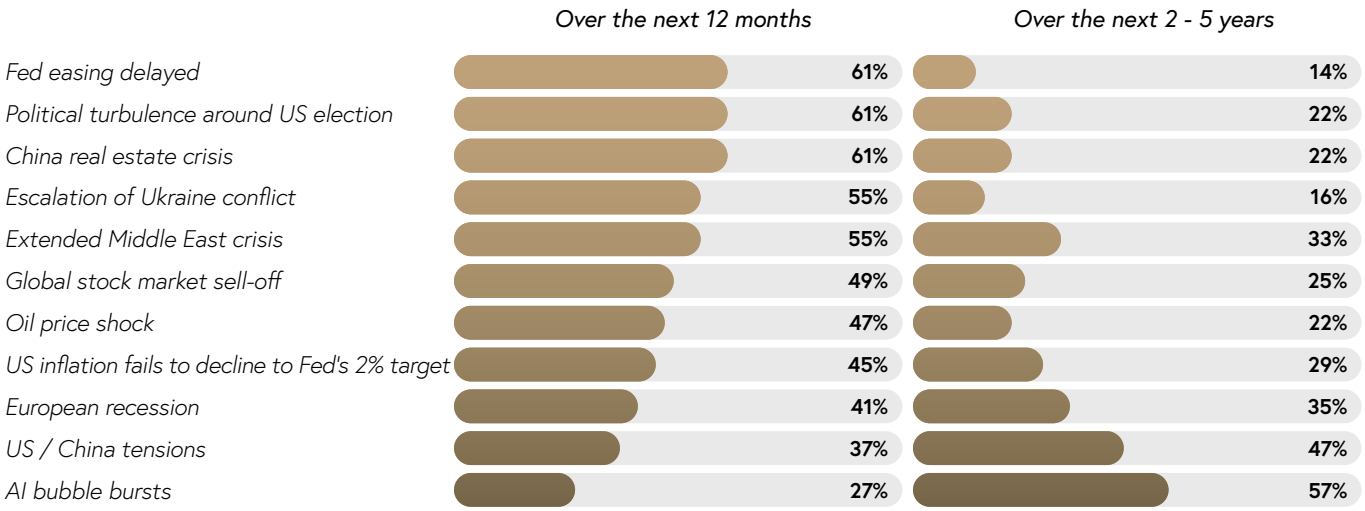
Last year, the most common concern of Asia-Pacific family offices was US / China tensions. This year it has dropped down the ranking of concerns, rather it has been delayed Fed easing, the US election, and China's real estate crisis which have kept family office executives awake at night. Geopolitics exemplified by wars in Ukraine and the Middle East rank high up the list (55 percent). While investors are relatively unconcerned by AI at the moment (27 percent), a bursting of the bubble is their major concern on a medium-term view (57 percent). Similarly, US / China tensions are expected to revive over this period (47 percent). On the positive side, the risks of a global stock market sell-off (25 percent) and an oil price shock (25 percent) are perceived to diminish as time passes.

Our attitudinal questions (**Fig 2.5**), incorporate scenarios such as higher for longer interest rates, no US recession, and the "Magnificent Seven" accounting for a sizeable proportion of the gain in the S&P 500. These scenarios materialised during the first half of the year, and responding to our survey, many family offices, as well-informed investors, correctly anticipated these developments. For example, 57 percent believed that the US economy will avoid recession and 52 percent foresaw rates staying higher for longer. However, their pessimistic outlook for the "Magnificent Seven" proved to be misplaced[1].

"The Federal Reserve has to convince foreign investors to keep refinancing US bonds. Consequently, interest rates are set with a view to keeping financial markets happy, and therefore it's not surprising that they have stayed higher for longer than almost anyone expected."

Managing partner, multi-family office, Australia

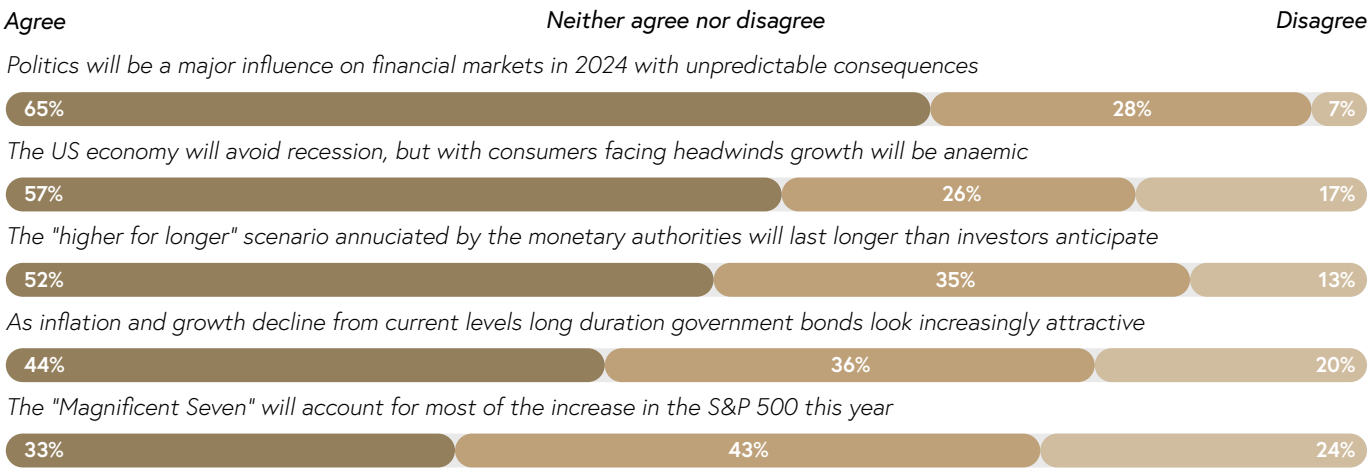
Figure 2.4: *Percentage of family offices expecting risks to crystallise within time period*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

[1] https://www.cnbc.com/2024/07/01/how-magnificent-7-affects-sp-500-stock-market-concentration.html

Figure 2.5: *Extent to which family offices agree or disagree with statement*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

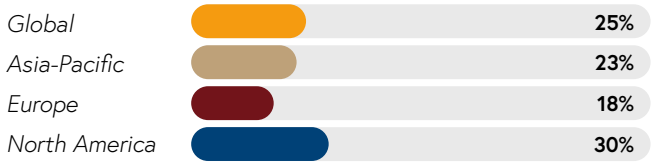
2.2 *Investment strategy*

Preservation v Growth

To gain insight into investment strategy our survey asked family offices where they sat on a line between wealth preservation and growth. Growth implied taking above-average risk for the promise of faster capital appreciation and higher income. Preservation meant lower risk and lower investment returns to limit portfolio volatility. Between these extremes is a balanced strategy which was the preferred option of around 60 percent of family offices (**Fig 2.7**). The percentages operating balanced strategies and growth strategies have increased this year at the expense of those operating a strategy of wealth preservation. This may well reflect greater confidence in the stability of financial markets given that the US economy has avoided recession, and the anticipation of declining inflation and interest rates.

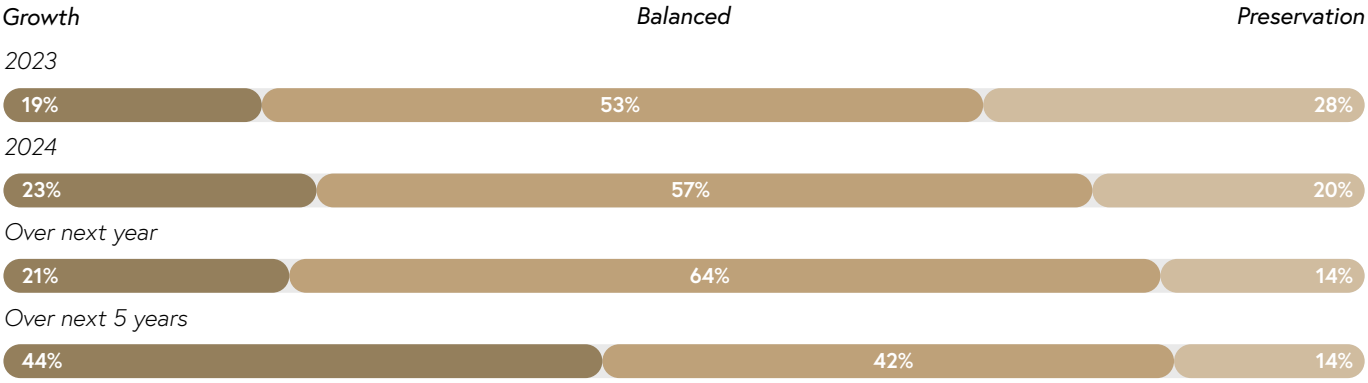
Looking forward to the next five years, family offices are signalling that they are likely to shift towards growth, with the percentage opting for this strategy increasing 20 percentage points. This desire to rebalance towards growth has been a feature of previous surveys but hasn't followed through into an actual increase. It may not be a prediction about future behaviour as much as a recognition that families can reasonably be expected to double in size every generation or every 30 years. Preserving per capita wealth in these circumstances requires real growth of almost 2.5 percent per annum.

Figure 2.6: *Percentage of family offices operating growth strategy*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

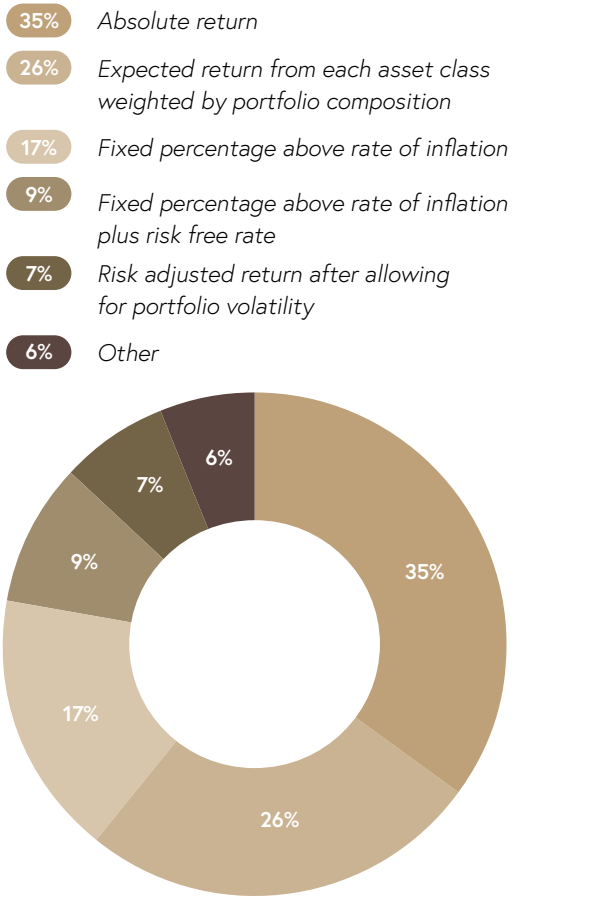
Figure 2.7: *How family offices describe their investment strategy*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Recognising the importance of balancing risk and return, it is common for the benchmark return which family offices seek to achieve in any year to be set in relation to the risk profile of the assets in the portfolio. 26 percent of Asia-Pacific family offices set their benchmark in this way. However, an even larger percentage (35 percent) set theirs in relation to an absolute level of return.

Figure 2.8: *How family offices set their benchmark return*

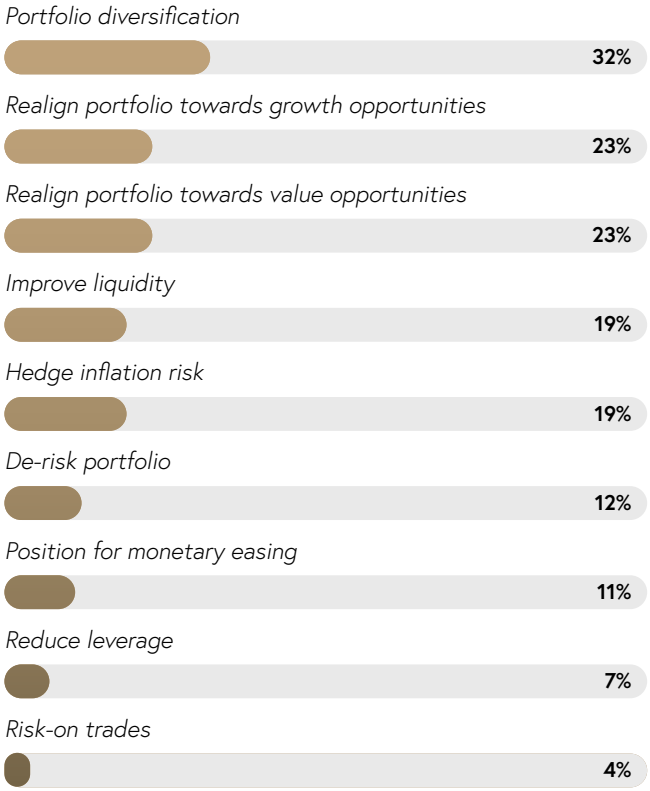


Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Investment objectives

In terms of immediate investment objectives, family offices are looking at portfolio diversification (32 percent). Last year the top objective was to hedge inflation risk, but this is now only a priority for 19 percent. The desire to improve liquidity (19 percent) stems from balance sheets becoming offset more illiquid because of the limited number of private equity exits. Interestingly, family offices are evenly split at 23 percent between the desire to realign towards growth and desire to realign towards value.

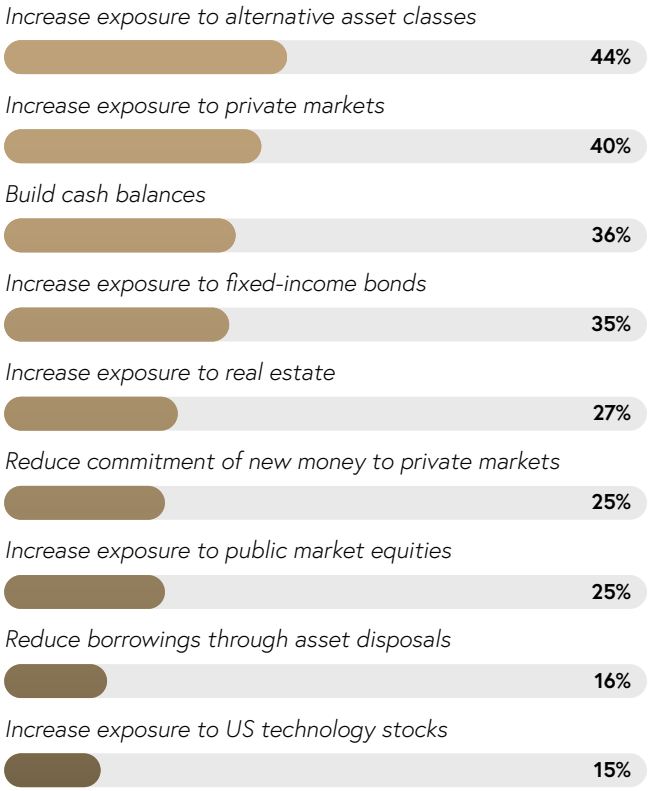
Figure 2.9: *Family office investment objectives for 2024*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Having identified their primary objective as portfolio diversification **Fig 2.10** indicates 44 percent of family offices are looking to achieve this through investment in alternative asset classes (hedge funds, commodities, gold) and private markets (40 percent). Those intent on rebuilding liquidity expect to increase cash balances (36 percent) and reduce the commitment of new money to private markets (25 percent).

Figure 2.10: *How family offices intend to achieve their investment objectives*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Asset allocation

The asset classes which constitute family offices' strategic asset allocation are characterised by different expected returns and degrees of risk. Asia-Pacific family offices believe that public market equities will provide them with the best risk-adjusted returns, with private equity and venture coming in second place because of the additional risk involved in investing in emerging companies and technologies. Cash is a traditional low-risk, low-return asset, but surprisingly appears in third place, presumably reflecting the current elevated level of rates. Cryptocurrencies, gold, and commodities are seen as offering low risk-adjusted returns but nonetheless, as previously indicated, family offices are keen to diversify their portfolios with these alternative investments.

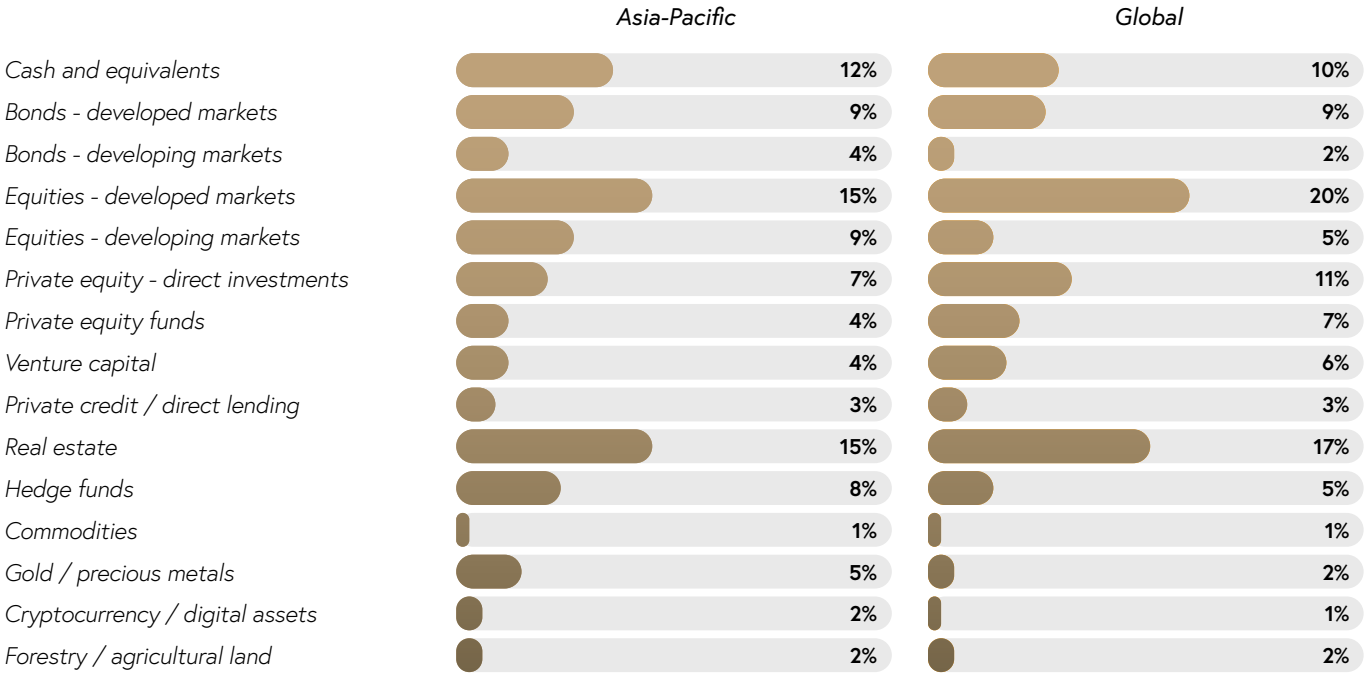
Expectations of risk-adjusted returns appear to influence the mix of strategic assets. Public equities, both developed and developing markets, are 24 percent of average AUM. This is followed by private markets (private equity and credit plus venture capital) at 18 percent, real estate at 15 percent, bonds at 13 percent and cash at 12 percent (**Fig 2.12**).

Figure 2.11: *Financial assets ranked by expected long term risk-adjusted return*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 2.12: *Average strategic asset allocation of Asia-Pacific family offices compared to global peers*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

The asset allocation of Asia-Pacific family offices differs markedly from their global peers. They have a smaller percentage allocation to private markets, but greater exposure to alternatives: hedge funds, commodities and gold.

Asia-Pacific family offices portfolios are well-diversified geographically as well as by asset class. On average, almost one-third of assets are invested in North America (**Fig 2.13**). More than 10 percent are invested in Europe. The Asia-Pacific region itself accounts for just over half with China at 11 percent.

The second "Net percentage" column in **Fig 2.13** is the percentage of family offices which intend to increase their exposure to a particular geography less the percentage of intending to reduce their allocation. From this it's evident that future investment will continue to be focused on the Asia-Pacific region excluding China, and the United States.

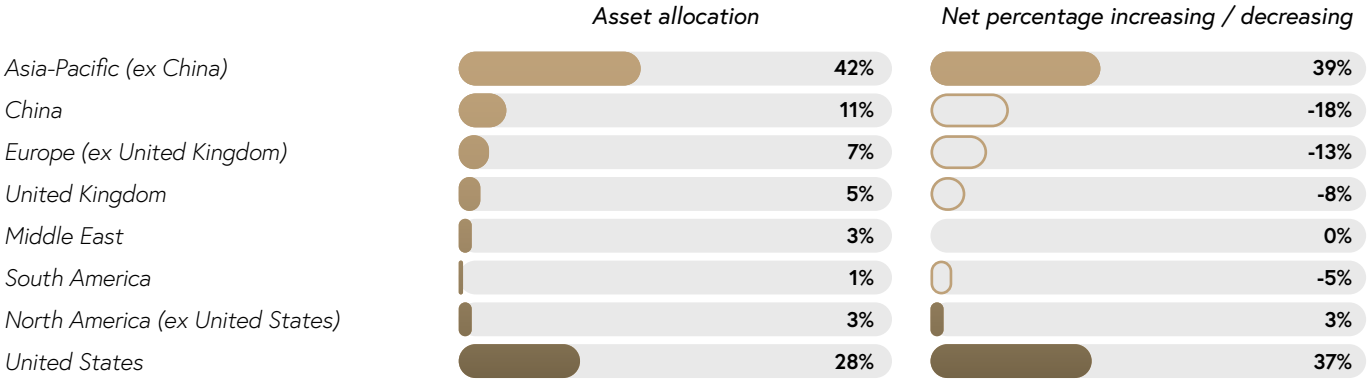
"There is a change in the asset class mix of wealthy Indian families. Traditionally they were very focused on real estate and gold because it was tangible and held its value long-term – or at least that is how they thought about it. Much of that mindset has changed now. The growth in public equity markets has helped to change that perception."

Director, single family office, India

"Even though the investment remit is usually global, families want to invest more into Asia, whether it's Hong Kong, Singapore or pan-regional. There's definitely a tilt of interest to do a bit more in our own backyard. This started with the pandemic when no travelling was permitted and local entrepreneurs turned to local families to support their start-ups. Families here want to support their home market."

Chief investment officer, single family office, Hong Kong

Figure 2.13: *Family office geographic asset allocation and percentage of these intending to increase their allocation less percentage looking to decrease*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

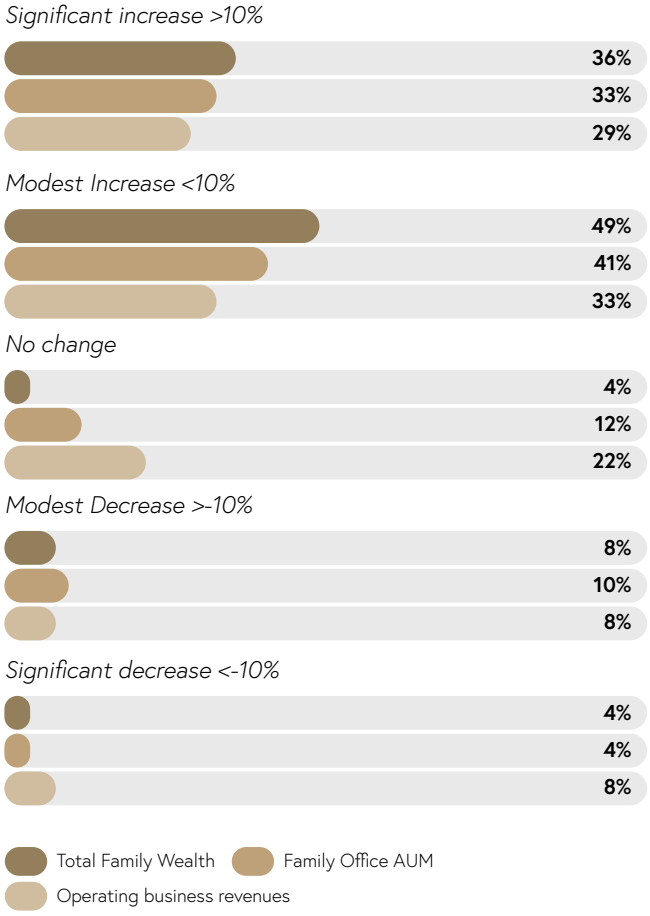
2.3 2023 recap

A year of recovery

It is fading into the distance now, but 2023, following on from a very difficult 2022, proved to be a good year for family offices. 85 percent reported an increase in AUM, with 36 percent reporting an increase of more than 10 percent (**Fig 2.14**). Slightly more than half of all family offices reported outperforming their investment benchmark, and operating businesses connected to family offices also performed well with around 60 percent reporting an increase in revenues.

The strong performance of operating businesses can be explained by the high rates of GDP growth across most of the region. This ranged from 3.3 percent for Hong Kong, to 5.2 percent for China to 8.2 percent for India[2]. Singapore at 1.1 percent was the only outlier.

Figure 2.14: *Percentage of families reporting change during 2023*

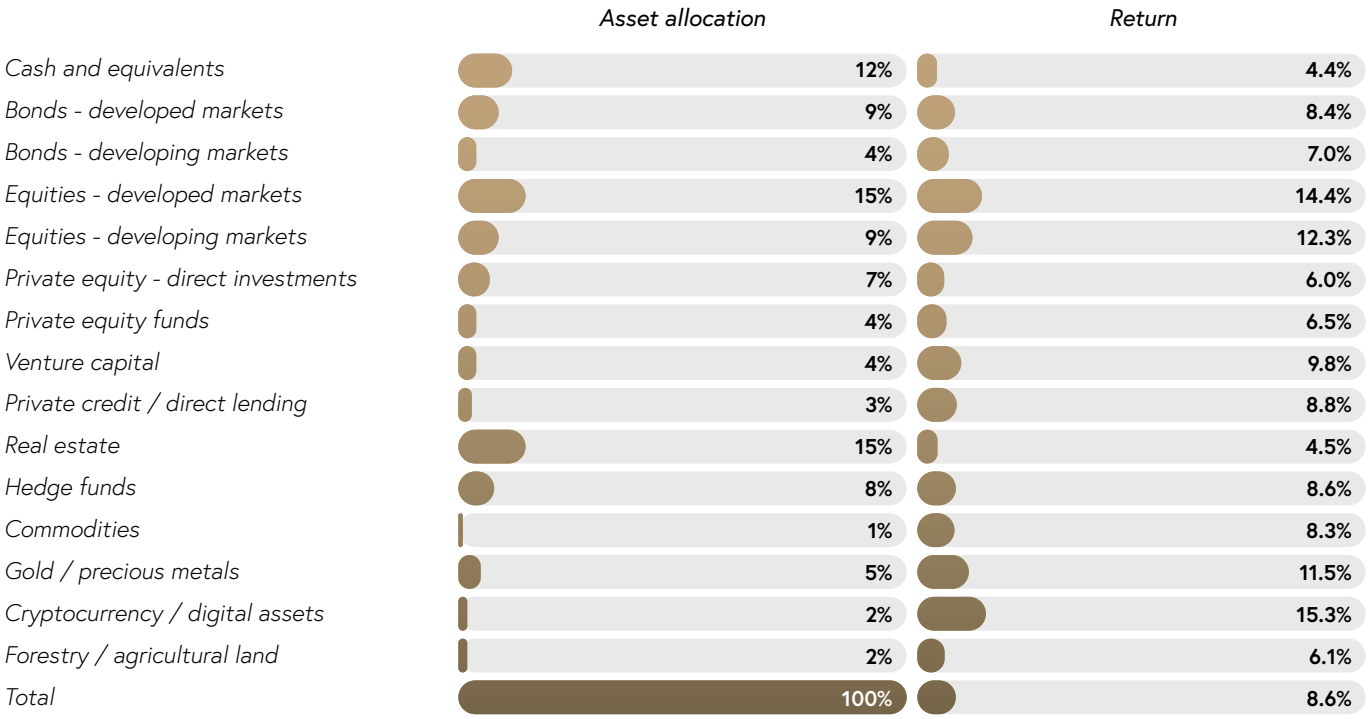


Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Family offices' strong investment performance is rather harder to explain because, with the exception of India, the region's main stock markets were either flat or declining over the course of the year. Nonetheless, **Fig 2.15** which shows the average reported return (capital appreciation plus income) for each individual asset class reveals family offices earning a 12 percent return from developing market equities. Helped by double-digit returns from developed market equities, gold, and cryptocurrencies we estimate the average family office return for 2023 at 8.6 percent.

[2] https://data.adb.org/dataset/gdp-growth-asia-and-pacific-asian-development-outlook

Figure 2.15: *Average net return from asset class reported by family offices*



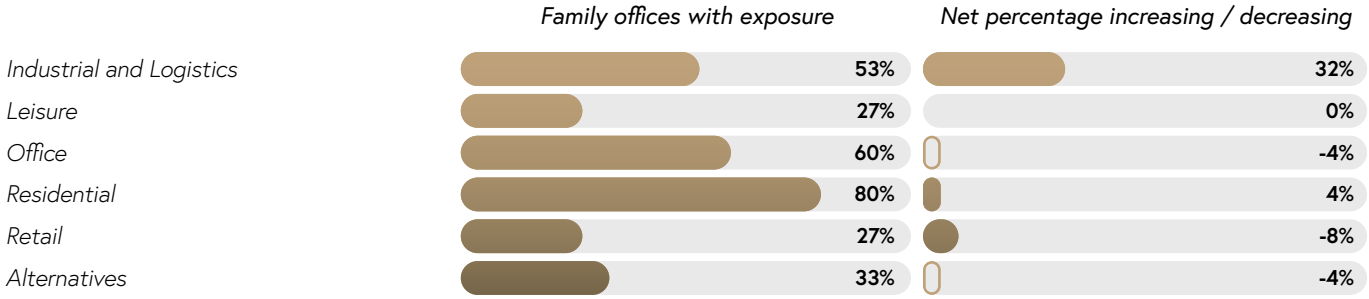
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

2.4 Alternatives

Real estate

Real estate is a popular asset class for family offices, not least because a sizeable percentage of family-owned businesses are engaged in the industry. Residential is the most popular sector for investment, and 80 percent of family offices have some exposure to this sector (**Fig 2.16**). Office (60 percent) and industrial (53 percent) real estate are also widely held. Only a small percentage of family offices are property developers.

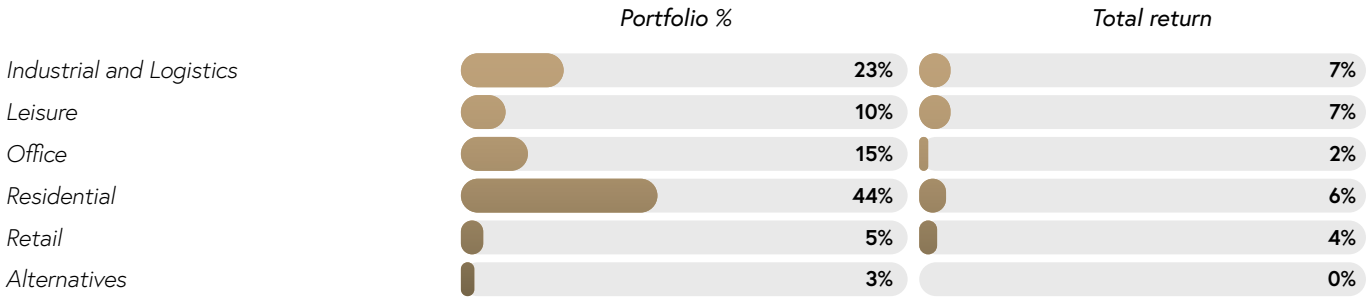
Figure 2.16: *Percentage of family offices with exposure to real estate sector and percentage planning to increase, less percentage planning to decrease, exposure*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

The second column in **Fig 2.16** gives the percentage of family offices intending to increase their exposure less the percentage intending to reduce, demonstrating that apart from Industrial and Logistics there appears little appetite for future investment. This may be explained by the relatively modest returns reported for 2023 (**Fig 2.17**) and also our attitudinal survey (**Fig 2.18**).

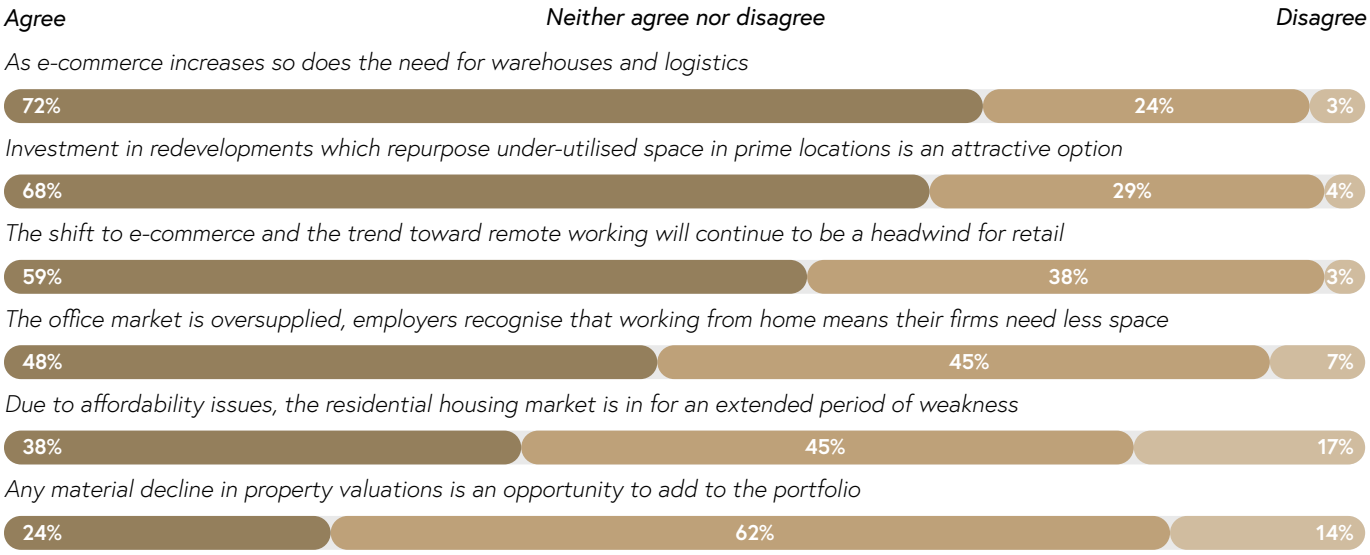
Figure 2.17: *Average family office real estate portfolio by category and 2023 average total return*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Here, 72 percent view e-commerce as providing a tailwind for industrial and logistics, but 59 percent see it as a continuing headwind for retail, while 48 percent believe that office markets are oversupplied.

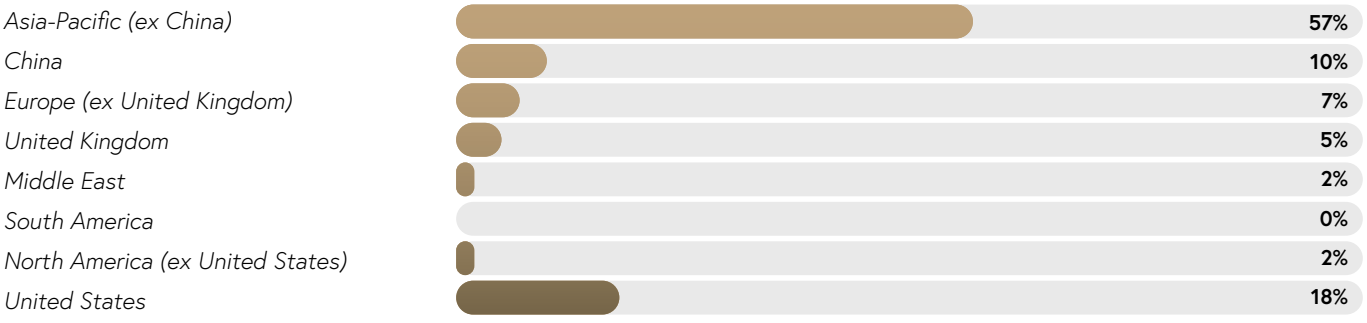
Figure 2.18: *Extent to which family offices agree or disagree with statement*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

The attitude of family offices is being shaped by the challenges facing commercial property markets in China and Hong Kong where high vacancy rates are working to the advantage of tenants and high interest rates are depressing activity. But the property portfolios of Asia-Pacific family offices are well-diversified with, on average, one-third of assets lying outside the region in North America and Europe (**Fig 2.19**).

Figure 2.19: *Average geographic distribution of real estate assets*

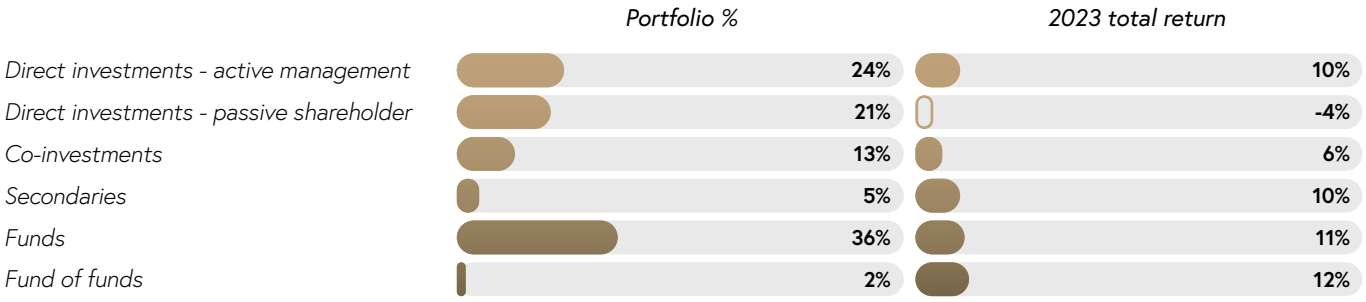


Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Private equity

As previously indicated, Asia-Pacific family offices' average allocation to private markets is smaller than their global peers (**Fig 2.12**) at 18 percent. Within this allocation, 45 percent is through direct participation, and 38 percent through holdings of funds or fund of funds (**Fig 2.20**). Co-investments made alongside private equity managers, and secondaries, positions acquired in the secondary market, play a modest but increasing role in family office investment strategies.

Figure 2.20: *Average family office private equity portfolio by category and 2023 average total return*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Family offices' preference for fund investment is often attributed to the burden of in-depth due diligence and specialised investment management expertise that direct investments require. By contrast, some families opt for direct investment because they can leverage their industry-specific expertise and take a hands-on approach. Direct investment gives the family the opportunity to advise, mentor and propagate their values. In our survey 64 percent of family offices held a mix of direct and fund investments, 16 percent held only direct investments and 20 percent, predominantly smaller family offices, held only fund investments.

"Single family offices in Asia are progressing in moving beyond direct investments to co-investments as they re-evaluate their work processes and eye investments outside their core areas of expertise. I like co-investing with other families, it's more strategic and offers many benefits, apart from the sharing of due diligence."

Chief investment officer, single family office, Hong Kong

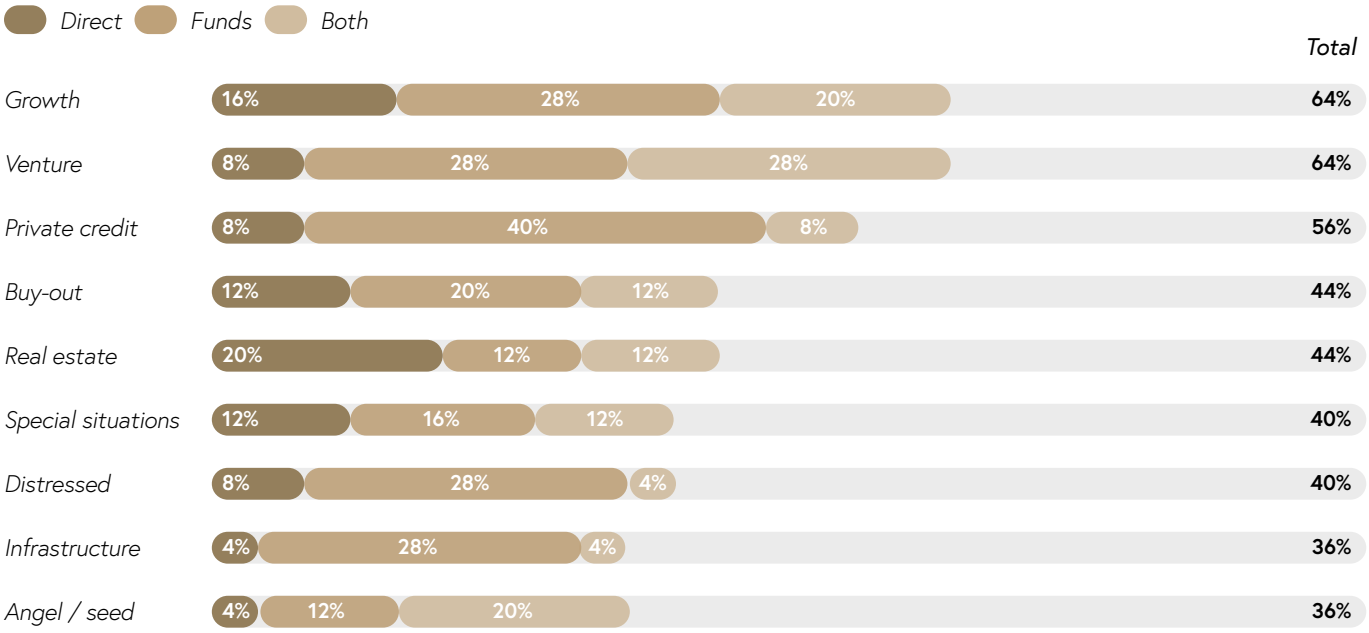
"The most popular strategies include growth equity, venture capital, private credit buyouts: private credit because distributions come earlier, and venture because it provides exposure to disruptive and innovative technologies that cannot be easily accessible in the public markets. That said, we will need to exercise patience given the generally longer gestation periods required for such early-stage companies to grow and commercialise."

Chief executive officer, multi-family office, Singapore

"The family office makes 20 to 25 fund commitments per year globally to diversify across vintages, managers, and strategies, in order to harvest as much equity risk and illiquidity premium as possible."

Chief investment officer, single family office, Singapore

Figure 2.21: *Percentage of family offices investing in private equity with exposure to private equity strategies*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Across both direct and fund investments (**Fig 2.21**), the most appealing investment strategies are growth and venture (64 percent), closely followed by private credit (56 percent). Venture capital investments provide the opportunity for family offices to invest in early stage start-ups often utilising new processes or technologies. It's high-risk but high-return. The popularity of private credit reflects the high nominal interest rates that sub-investment grade borrowers are prepared to pay.

Through their direct private equity portfolios, family offices can engage directly with exciting emerging businesses that harness cutting-edge technologies. Additionally, private equity funds offer family offices exposure to a very comprehensive range of these technologies as indicated in **Fig 2.22.** The most sought-after technology is AI; almost 90 percent of family offices have investment in companies utilising artificial intelligence. Behind that comes healthcare (76 percent), and automation, renewable energy, data centres and biotech, all at 72 percent. At the bottom end of the table some older technologies such as fintech and consumer internet, and some newer ones, such as Blockchain and Web 3.0 are out of favour. This is confirmed by the net change column which shows only a small net balance of family offices looking to increase their exposure. On this measure the most popular technologies are likely to retain their status for some considerable time.

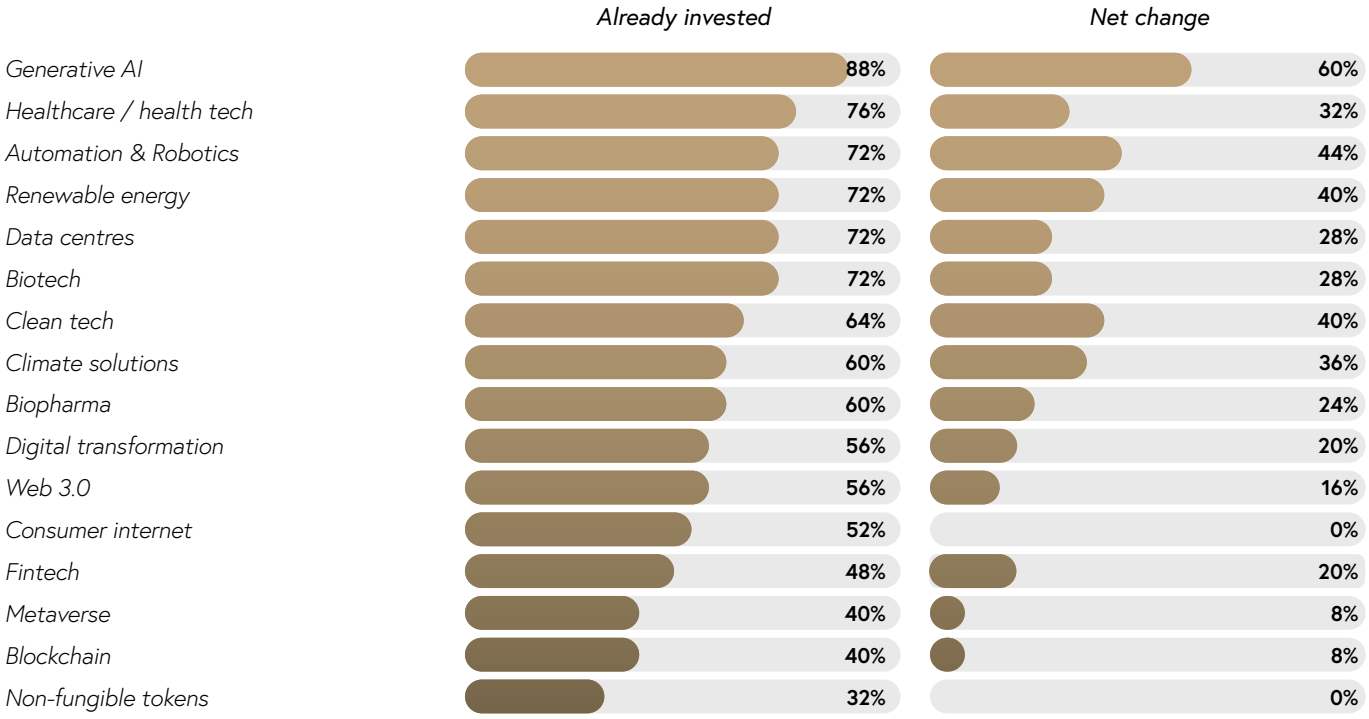
"Just as the internet era transformed the physical world into a digital one, AI represents a new paradigm shift. Unlike streaming or location-based technologies, which enhance existing systems, AI acts as a complete operating system upgrade for all industries."

Managing director, single family office, Singapore

"Tokenisation represents the future of finance and offers exciting investment opportunities for long-term investors. Tokenisation is the process of representing real-world assets like stocks, bonds, real estate, or commodities as digital tokens on a blockchain. Traditional capital market processes like trading settlement and clearing have seen minimal innovation but this is about to change."

Chairman, single family office, Hong Kong

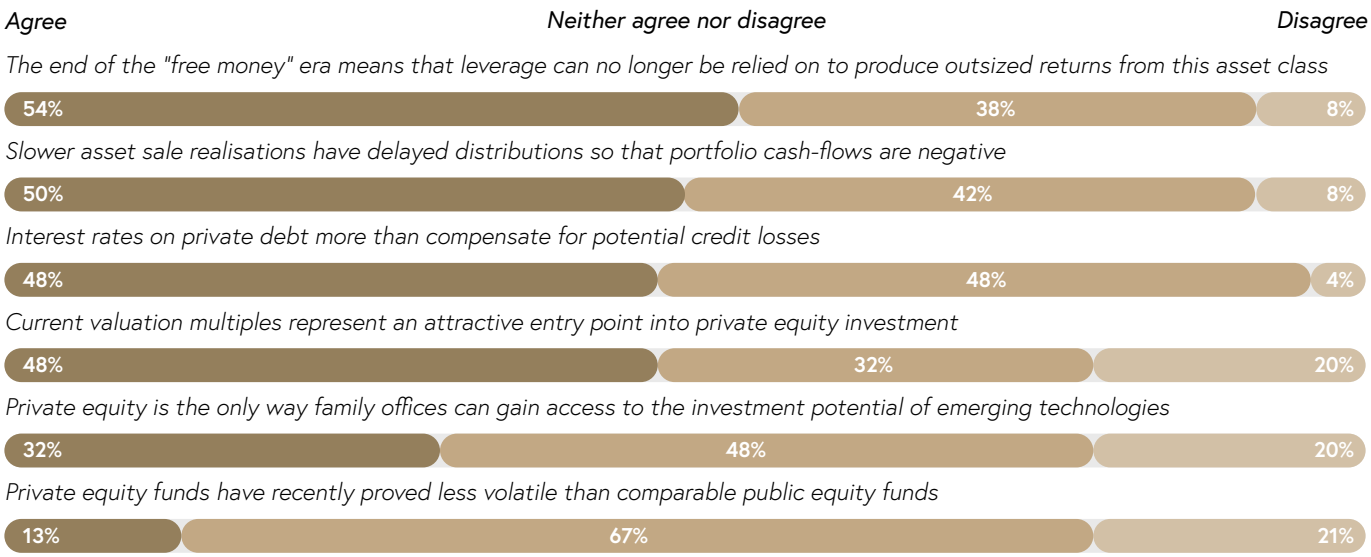
Figure 2.22: *Percentage of private equity owning family offices already invested in new technology and percentage intending to increase, less percentage planning to decrease, exposure*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Although family offices believe that private equity offers the best risk-adjusted return, their attitude towards the asset class has cooled somewhat. They agree (**Fig 2.23**) that the impact of higher rates will reduce the capacity to enhance returns through leverage (54 percent), and delayed exits are causing a cash-flow headache for investors (50 percent). However, they remain positive on private credit because lending rates are seen as more than adequate compensation for the risk of borrower default (48 percent) and believe the valuation multiples on private equity represent an attractive entry point (48 percent).

Figure 2.23: *Extent to which family offices agree or disagree with statement*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Private equity works when interest rates are low and doesn't work when interest rates are high. The sponsors are playing pass-the-parcel between themselves to maintain valuations because there are far fewer liquidity events than previously."

Managing partner, multi-family office, Australia

"The challenging fundraising backdrop as well as higher interest rates present an opportunity for us to reset, and remind our to general partners and founders that capital is precious and should be invested judiciously at sensible entry valuations and capital structures."

Chief executive officer, multi-family office, Singapore

"In this current environment, many GPs have extended their fundraising timelines. The time from launch to close for funds can be as long as 18 months, which is much longer than previous years. This is due to a number of factors, including a difficult exit environment and a decline in distributions to LPs which in turn means investors have less money to deploy to new funds."

Director, single family office, Hong Kong

"As a small family office not writing big tickets it's difficult to manage liquidity. A fund may boast a quarterly liquidity window of 5% on paper, but limited partners are sometimes forced to wait much longer to retrieve their capital. Honest and frequent dialogues with the general partner are a necessity. Small limited partners need to be much more careful than institutional investors."

Chief investment officer, single family office, Hong Kong

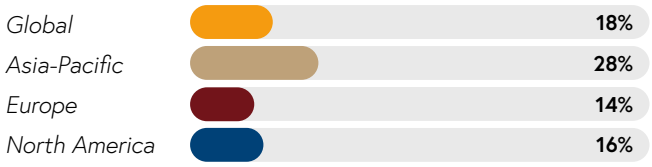
"Adverse selection and moral hazard are the key risks that general partners will not pay enough attention to because of the pressure to deploy capital, particularly in private credit."

Director, single family office, Hong Kong

Cryptocurrency

From a low point at the end of 2022, the market value of cryptocurrencies has almost tripled to around US $2.5 trillion[3] as investors reassessed the asset class. Although cryptocurrencies only represent 2 percent of their portfolios (**Fig 2.12**), Asia-Pacific family offices are more aligned to this asset class than their global peers with 28 percent having some level of investment.

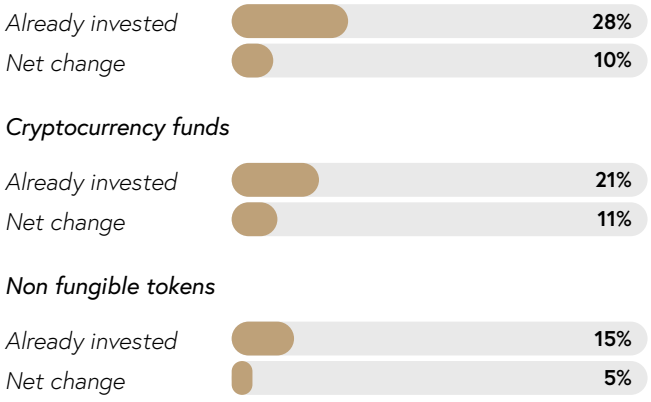
Figure 2.24: *Percentage of family offices with exposure to cryptocurrencies*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Cryptocurrency funds are a relatively recent innovation which enable investors to gain exposure to cryptocurrencies through a conventional ETF structure. Around one in five Asia-Pacific family offices have taken advantage of these funds, which bring the advantage of custodial security, and not being exposed to the idiosyncratic risk of an individual cryptocurrency. However, the net change column in **Fig 2.25** reveals only a small net balance of family offices looking to increase their exposure to cryptocurrency, cryptocurrency funds, or non-fungible tokens.

Figure 2.25: *Percentage of family offices already invested in cryptocurrency and percentage intending to increase, less percentage planning to decrease, exposure*

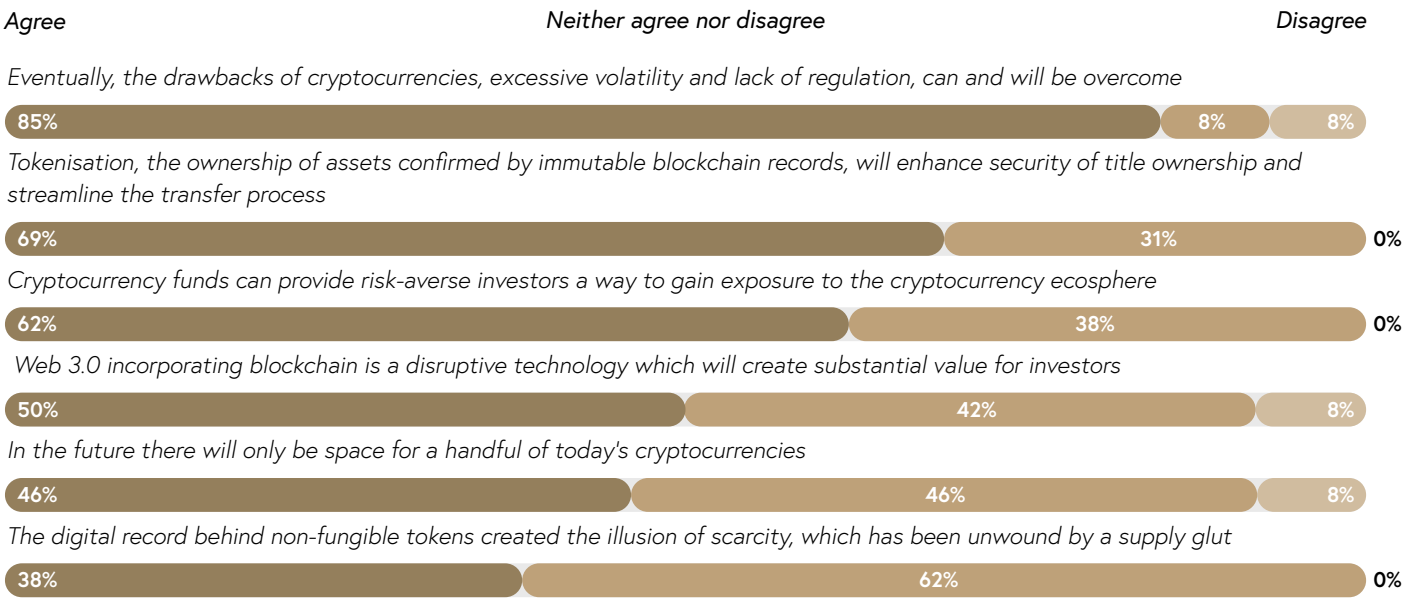


Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Although enthusiasm for cryptocurrency appears quite muted at the moment, this could change in the future. Some 85 percent of family offices believe that the drawbacks of the asset class, excessive volatility and lack of regulation, will eventually be corrected (**Fig 2.26**). Aside from cryptocurrency, family offices are positive on two other by-products of blockchain technology; Web 3.0 (50 percent) and tokenisation (69 percent).

[3] https://www.coingecko.com/en/global-charts#:~:text=The%20global%20cryptocurrency%20market%20cap,a%20Bitcoin%20dominance%20of%2053.69%25.

Figure 2.26: *Extent to which family offices agree or disagree with statement*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Bitcoin has no intrinsic value, other than its ability to money launder and evade tax. I think the only reason central banks and governments tolerate it is because there's a lot of capital gains tax that will crystallise when these coins are sold. I don't see crypto as a credible asset class."

Managing partner, multi-family office, Australia

"I don't think that most family offices find Bitcoin ETFs to be exciting. It might only be interesting if you want to dip your toes in the water and get used to the volatility, but not if you are looking to take riskier bets on digital assets."

Managing director, single family office, Singapore

"Family offices are binary in their approach. The larger ones with sophisticated risk management strategies can handle investment in this dynamic asset class. Conversely, smaller family offices view digital assets as too volatile and remains uninvolved in the asset class."

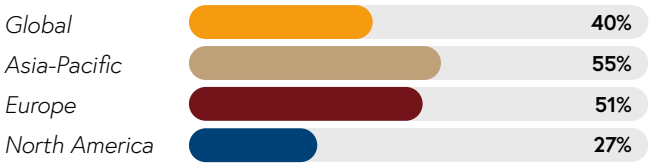
Chairman, single family office, Hong Kong

2.5 *Responsible investing*

Fixing the world

More than half (55 percent) of Asia-Pacific family offices are engaged in responsible investing to some degree. This is a higher percentage than seen in Europe and double the percentage seen in North America (**Fig 2.27**). On average 35 percent of their portfolios are comprised of responsible investments but family offices believe that percentage will increase to more than 50 percent over the next five years (**Fig 2.28**).

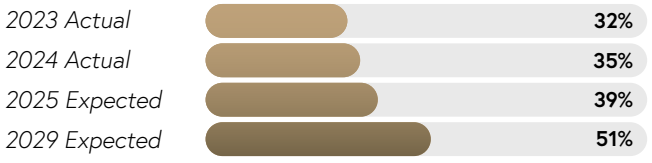
Figure 2.27: *Percentage of family offices engaged in responsible investing*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

The approaches to responsible investing vary from family office to family office. The principal methodological approaches are set out in **Fig 2.29**. The most commonly employed (73 percent) is impact investing, which aims to produce a social or environmental benefit as well as a financial return. The approach requires an assessment of the impact a potential investment has on its society and environment, determine whether the impact is positive or negative, and and invest if the positive elements will be enhanced and the negative elements neutralised. However, measurement of societal and environmental effects is often challenging, and it is not always possible to invest in businesses that contribute to the positive outcomes that families may want to achieve.

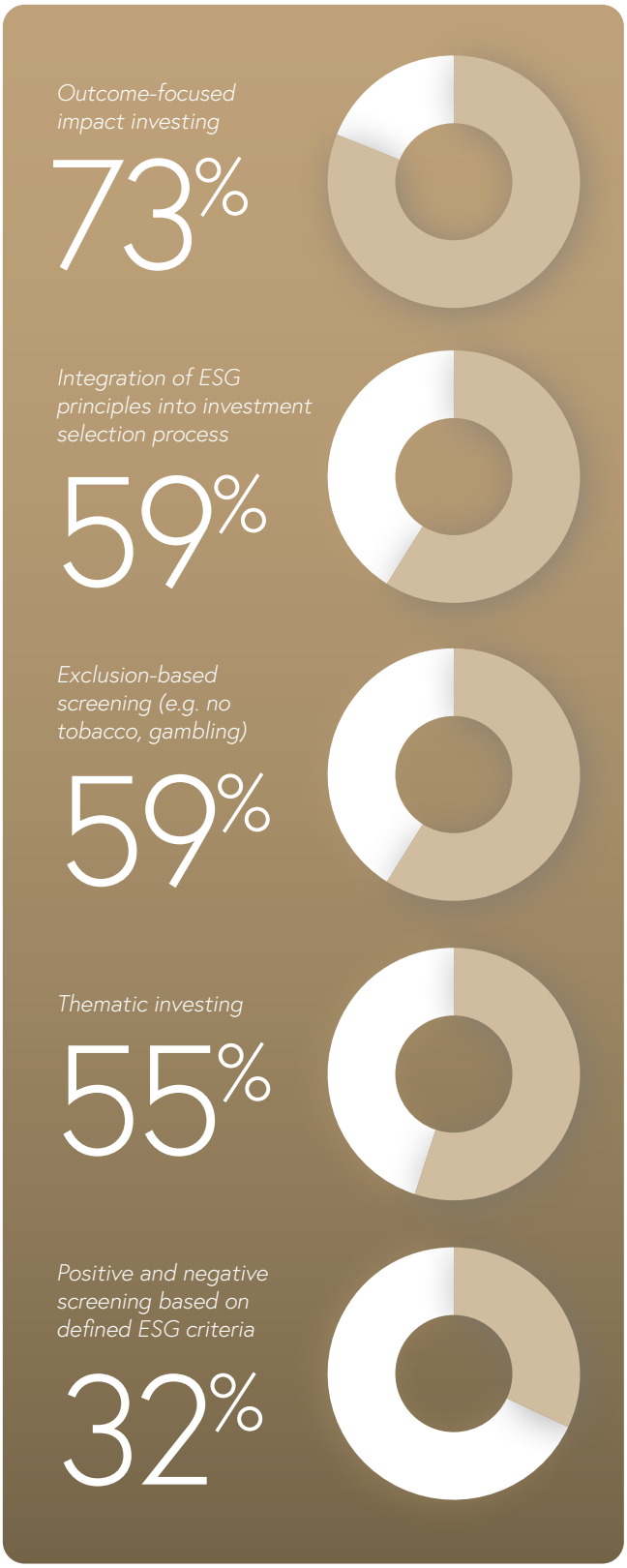
Figure 2.28: *Responsible investments as percent AUM for families engaged in responsible investing*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Integration of ESG principles into the investment selection process is employed by 59 percent of family offices, likewise exclusion-based screening, which blocks investment in certain industries with dubious social or environmental benefits (e.g. gambling, fossil fuels). Thematic investing (55 percent) involves investment in themes aligned with the family's particular interest, the most popular of which are set out in **Fig 2.30**.

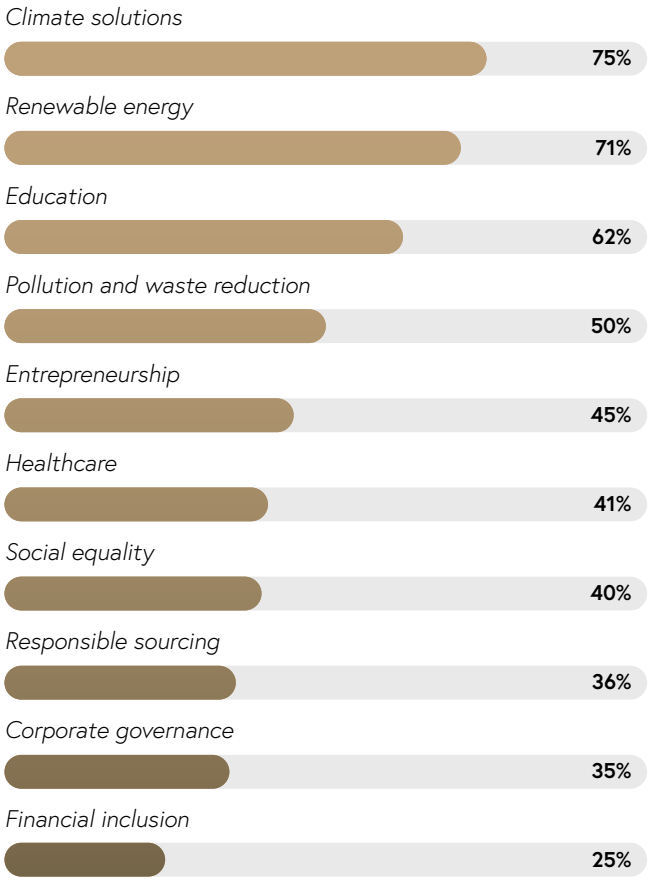
Figure 2.29: *Responsible investment methodologies used by family offices*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Each of these approaches requires some element of additional analysis and in many cases, due to the nature of the investment or voids in the data, a particular methodology may not be available. Therefore, family offices tend to adopt more than one, and this is the case for more than 70 percent of our survey participants.

Figure 2.30: *Responsible investment themes supported by family offices*

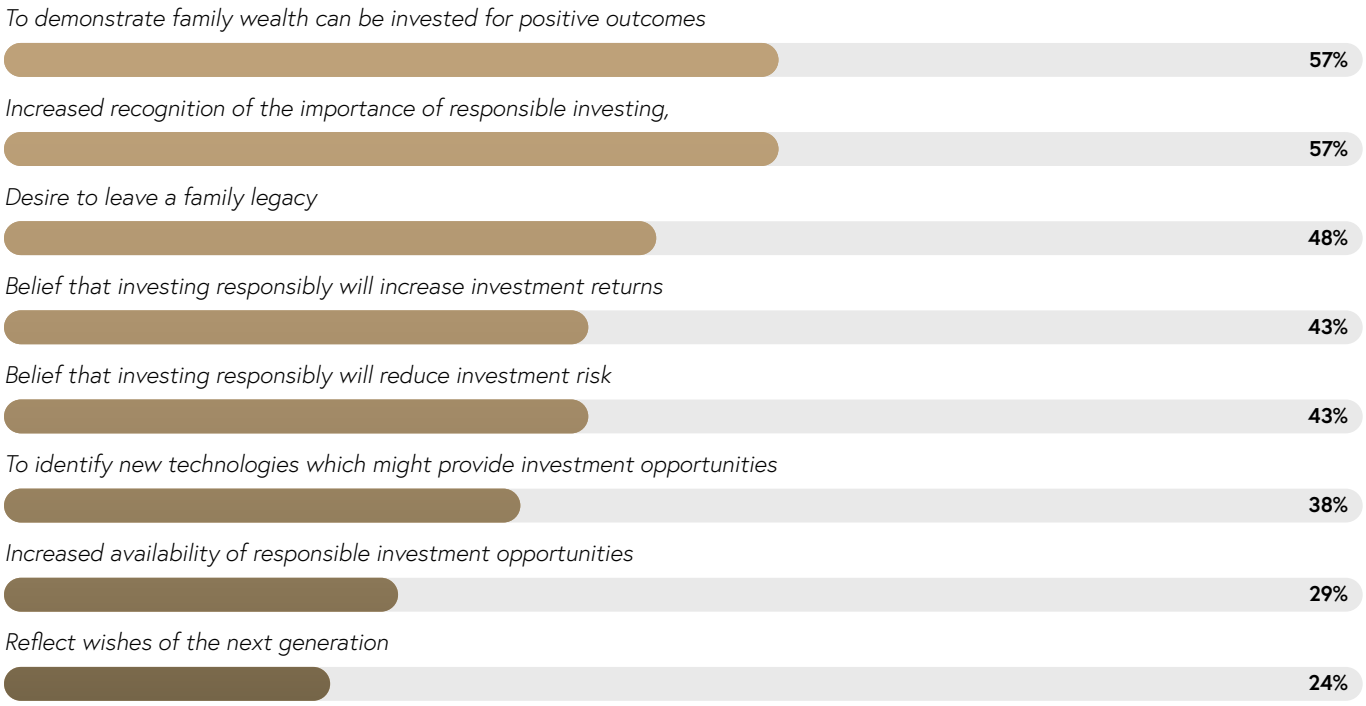


Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Popular themes supported by thematic investors (**Fig 2.30**) are climate solutions (75 percent) renewable energy (71 percent), and education (62 percent). There is considerable overlap between these themes and the causes that families support through philanthropy (**Fig 4.20**), but responsible investing appears more closely entwined with environmental concerns.

The motivations driving responsible investing are many and varied (**Fig 2.31**). Our survey reveals that for 57 percent of Asia-Pacific family offices, key factors are the desire to demonstrate family wealth can be invested for positive outcomes, and increased recognition of the importance of responsible investing. This points to a genuine interest in the topic rather than engaging simply to reflect the wishes of the next generation (24 percent).

Figure 2.31: *Motivation for investing responsibly*



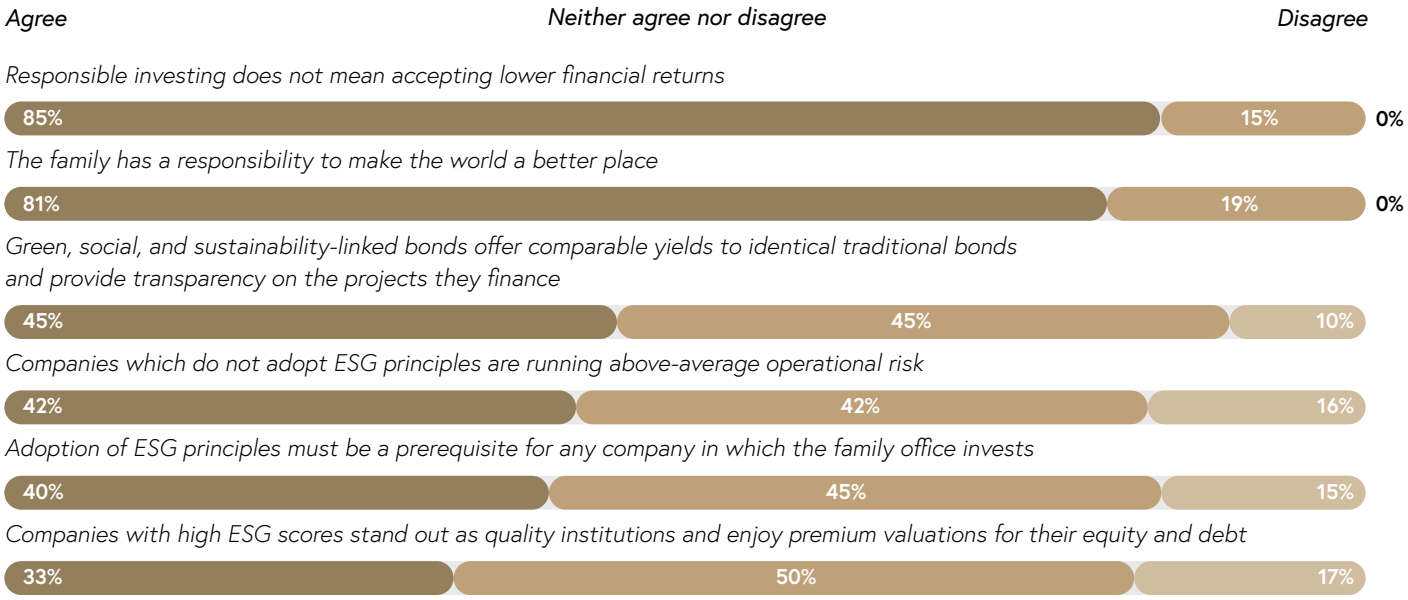
Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Interestingly, 43 percent of family offices believe investing responsibly will increase returns, and the same percentage believe it will reduce investment risk (**Fig 2.31**). There is some empirical evidence to support the first hypothesis; according to Morningstar[4], sustainable funds outperformed their traditional peers in 2023 with a median return of 12.6 percent compared to traditional funds' 8.6 percent, a pattern repeated in four of the last five years. The second hypothesis may be true by definition because businesses which might cause environmental or social damage are automatically excluded from responsible portfolios.

While the question of whether responsible investing increases returns is debatable, it's clear that as far as 85 percent of family offices are concerned, responsible investing doesn't mean having to accept lower returns (**Fig 2.32**). However, they are more equivocal (42 percent) on whether ESG principles reduce operational risk.

Overall, more than 80 percent of families believe they have a responsibility to make the world a better place, and for 40 percent their commitment extends to limiting investment to companies which have adopted ESG principles.

Figure 2.32: *Extent to which family offices agree or disagree with statement*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

[4] https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/MSInstituteforSustainableInvesting-SustainableRealityFY2023-Final.pdf

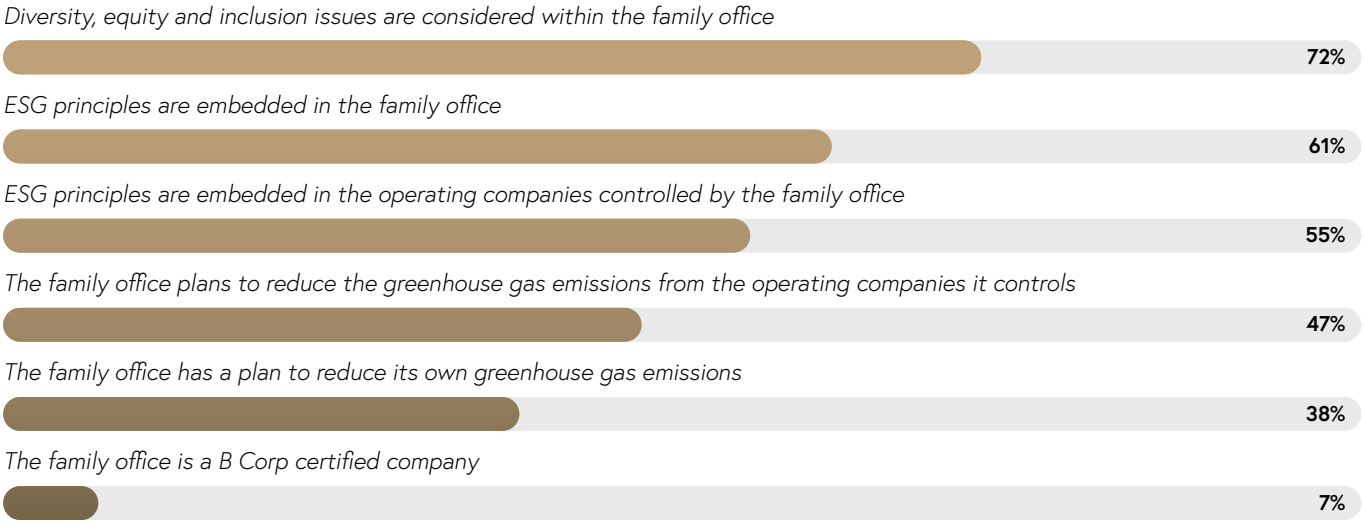
ESG

Family offices talk the talk, but do they walk the walk? Do they apply the same rigorous criteria to their own behaviour? For the most part the answer seems to be yes! Our survey reveals that more than 70 percent have a diversity, equity and inclusion framework, and more than half have adopted ESG principles themselves and for their operating companies. In many instances plans to reduce greenhouse gas emissions are in place and seven percent of family offices are B Corp certified.

"Next-generation family leaders are integrating their social and environmental values into investment decisions. They are investing in sustainable businesses that focus on clean energy, resource efficiency, and social responsibility. There is a growing interest in the environmental, social, and governance (ESG) criteria, with investments being made in socially responsible and environmentally conscious, sustainable ventures."

Director, single family office, Hong Kong

Figure 2.33: *Family office commitment to environmental and social issues*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024



Location, location, location!

How do family offices choose their location? Hong Kong, Singapore and Dubai are all competing hard to attract family offices. They offer tax incentives and limited regulation while highlighting the quality of life of their residents. Our interviewee, an entrepreneur and chief executive of a family-owned manufacturing business located in mainland China, recently decided to establish his new family office in Hong Kong. He explains his thinking.

You were spoilt for choice when selecting the location of your new family office. You considered Hong Kong, Singapore and Dubai. What are the strengths and weaknesses of each?

"Hong Kong is a pre-eminent international financial centre, so naturally there's a large wealth and asset management industry. This industry has developed to serve high net worth individuals and families because family offices have been operating in Hong Kong for many years, because the majority of businesses in Hong Kong are family-owned businesses.

Early last year the Government of Hong Kong SAR announced policy measures to attract family offices to the territory. From my perspective the measures which persuaded me that Hong Kong was the right place were an entrant scheme which gives residency rights to providers of investment capital and their families, and a profits tax exemption for investment holding vehicles owned and managed by single family offices. I'm not the only one making that decision, I read somewhere there are almost three thousand family offices in Hong Kong. Also, Hong Kong offers easy access to China where the family business is based.

Singapore has advantages but they are not as generous as Hong Kong. A family office in Singapore will pay 17 percent corporation tax, and the Monetary Authority of Singapore has tightened up regulatory compliance. Still, it was tough to choose between them. Like Hong Kong, Singapore is a well-established centre for wealth management with a pool of experienced firms and professionals. The rule of law is strong and the political framework very stable. Singapore may be the gateway to Southeast Asia, but for me I was looking for the gateway to China.

Dubai is the new boy on the block and is a very business-friendly location. While a new business tax was introduced last year, the marginal rate is just 9 percent, the economy always seems to be booming and the rulers of the United Arab Emirates want to attract foreign capital. Dubai was a real contender but at the end of the day I decided I needed to be in the same time zone as my business, and no more than a two-hour flight away. This rather ruled out Dubai and meant Hong Kong was the natural choice."

What was your experience after you decided to set up in Hong Kong?

"Aside from the profits tax exemption there are no capital gains or inheritance taxes in Hong Kong. Our main motivation was to take advantage of this benign regime to protect family wealth. So the establishment of the family office and securing its legal and tax structure was the immediate priority. This took slightly less than a year with the help of various lawyers and tax advisors which wasn't too bad. But the next step of making the family office operational was something else altogether. Staff had to be recruited, and the technology infrastructure set up. Hiring was particularly time-consuming because, above all, we have to work with people we absolutely trust. But even before starting hiring, it was necessary to think very carefully about exactly what services the family office was going to provide. In the end we decided to outsource HR and tax to a wealth management firm that provided these services. This removed some of the hassle of recruiting, but we still took on two investment managers and one accountant. IT was outsourced to a specialist vendor who supplied packages supporting data aggregation, portfolio analytics and cybersecurity. It's probably fair to say that it took another six months for the family office to become fully operational."

What advice would you give to other families looking to set up in Hong Kong?

"I would say think very carefully about exactly what you would like the family office to do. Then think about the human resources and technology required to achieve that end. Outsourcing definitely saves time and effort but co-ordinating and managing multiple outsourcing partners is also time-consuming and sometimes frustrating. When I started on this I was rather ignorant of exactly what it might involve. I was very reliant on my lawyer in Hong Kong to explain the necessary steps to me. Having a source of local knowledge is absolutely critical."



3. Inside the office

3.1 Cost footprint
- Operating efficiency
- Cost categories
- In-house v Outsource

3.2 Talent
- Management
- Headcount
- Compensation
- Retention and recruitment

Case study: India – the new kid on the block

3. Inside the office

Family offices participating in the survey varied very considerably in size. For the very smallest, with less than US $100 million under management, operating costs (excluding investment-related fees) are frequently less than US $1 million. Rather than focus on one simple average we take a more granular approach, looking at the financial characteristics of two classes of family offices, those with less than US $500 million of AUM, and those with in excess of that figure.

For family offices with less than US $0.5 billion of AUM, costs averaged US $2.2 million equivalent to 96 basis points (bps) of AUM. For family offices with more than US $0.5 billion costs average US $4.4 million or just 42bps. This demonstrates the economies of scale available to larger family offices, which are reflected in the number of employees, remuneration strategy, and the extent to which services are provided in-house rather than outsourced.

Despite the absence of scale economies smaller family offices can still be viable by opting for a business model where services are outsourced rather than undertaken by employees. This certainly makes sense when the volume / scope of work does not justify a full-time hire. Hence, smaller family offices are characterised by having less than a dozen employees and outsourcing around 60 percent of their costs.

Last year more than one-third of Asia-Pacific family offices reported an increase in headcount, relying on the recruitment of professional non-family staff, and nearly half stepped up their investment in technology. Professionalisation and technology investment are long-term trends, and so it seems almost inevitable that operating costs will keep on increasing, although possibly not as a percentage of AUM.

The average base salary of Asia-Pacific family office chief executives is US $364,000. However, there is a huge divergence of salary levels associated with their status as family members, the size of the family office and its geographic location. The chief executive of a family office in Singapore is likely to earn eight times the salary of a chief executive in India.

$2.2m

Average operational costs of European family office with less than US $0.5 billion of AUM

96 bps

Cost / AUM efficiency ratio

$411K

Average base salary CEO of family office with less than US $500 million of AUM

3.1 Cost footprint

Operating efficiency

Operating costs of the family offices participating in the survey (excluding investment-related fees paid to banks and third-party managers) average US $2.7 million (**Fig 3.1**). The comparable figure in 2023 was US $3.1 million. This does not necessarily imply that costs have actually fallen, but rather reflects the fact that this year's survey responses were weighted towards smaller family offices (average AUM US $415 million v US $538 million). As a percentage of AUM, costs average 65 basis points compared to 58 basis points last year. Within these figures larger family offices have the advantage of economies of scale because costs can be spread over a bigger base of assets. Average costs for family offices with more than US $0.5 billion of AUM are US $4.4 million, which is exactly twice the level for those with less US $0.5 billion but these costs represent 42 bps of AUM, compared to 96bps for their smaller peers.

Figure 3.1: *Average family office operating costs by AUM band (US $million)*

Less than US $0.5 billion

2.2	225	96
Average costs	*Average AUM*	*Costs/AUM bps*

More than US $0.5 billion

4.4	1031	42
Average costs	*Average AUM*	*Costs/AUM bps*

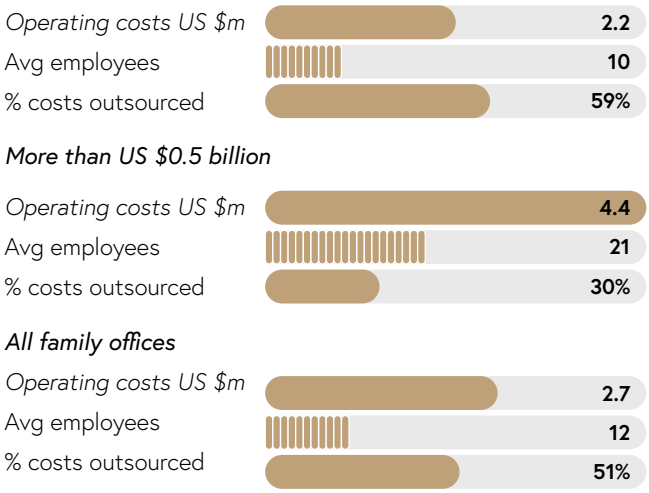
More than US $1 billion

2.7	415	65
Average costs	*Average AUM*	*Costs/AUM bps*

Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Despite the absence of scale economies, smaller family offices can still be viable by opting for a business model where services are outsourced rather than undertaken by employees. This certainly makes sense for smaller family offices where the volume / scope of work does not justify a full-time hire. Hence, smaller family offices are characterised by having less than a dozen employees and outsourcing 60 percent of their costs (**Fig 3.2**).

Figure 3.2: *Key characteristics of family offices by size*

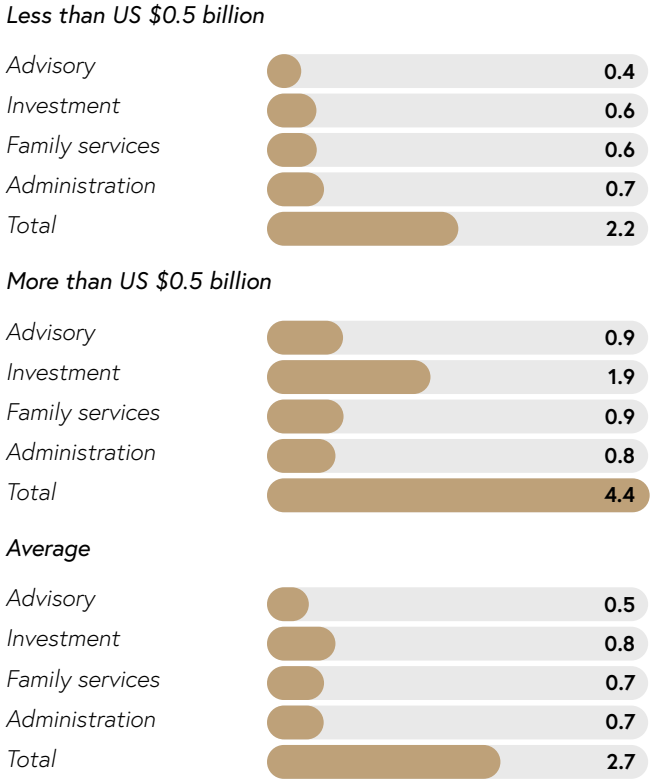


Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Cost categories

We asked survey respondents to break down costs into four basic categories: advisory, investment, family services and administration. Advisory includes estate, tax, and succession planning, while investment includes accounting, due diligence and risk management. The latter two categories are self-explanatory. **Fig 3.3** reveals that investment-related expenses are the dominant factor in the cost base of larger family offices. This is not surprising since professionalised asset management is often the primary motivating force for the establishment of a family office. From the table, we can infer that, as family offices develop, more cost investment goes into and family and advisory services.

Figure 3.3: *Components of average family office operating costs US $ million by AUM band*

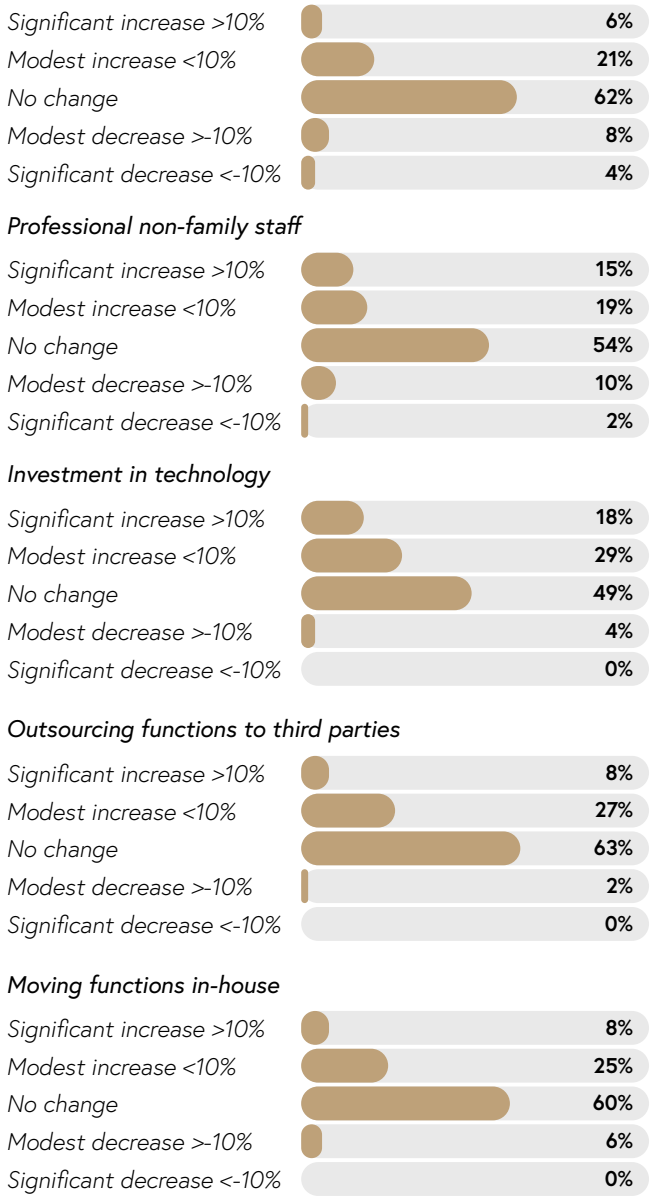


Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Advisory = Estate, Financial, Insurance, Legal, Tax, Succession Planning
Investment = Accounting, Asset Allocation, Due Diligence, Real Estate, Risk Management
Family services = Concierge, Next-gen Education, Oversight, Security, Travel
Administration = Human Resources, Information Technology, Premises

Asia-Pacific family offices were expanding at pace during 2023. More than one-third reported an increase in headcount, relying on the recruitment of professional non-family staff and nearly half stepped up their investment in technology (**Fig. 3.4**). Both professionalisation and technology investment are long-term trends, and it seems almost inevitable that, in absolute terms, family office operating costs will rise again this year. On the other hand, family offices are optimistic about prospective investment returns (**Fig 2.1**) so it may be the case that their important costs to AUM ratios will not deteriorate.

Figure 3.4: *Percentage of families reporting change during 2023*

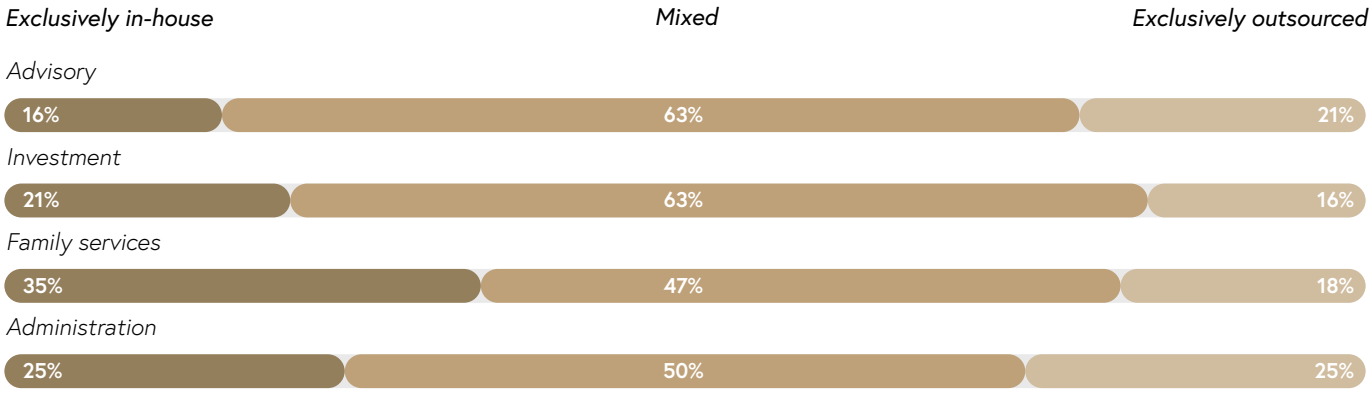


Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

In-house v Outsource

Survey data (**Fig 3.4**) also reveals that more than one-third of respondents have increased the volume of work they outsource to third parties, and a similar percentage have increased the volume performed in-house. This exemplifies the business model of the vast majority (85 percent) of family offices which is to provide services both in-house and outsourced to external vendors. Outsourcing is most common when the family office lacks in-house expertise, or when the limited volume of work doesn't necessitate a full-time hire. Advisory and investment services are most likely to involve an external partner either exclusively or in conjunction with in-house staff (**Fig 3.5**). Family services are most likely to be performed with in-house staff.

Figure 3.5: *Percentage of family offices providing services exclusively in-house, exclusively outsourced and mixed*



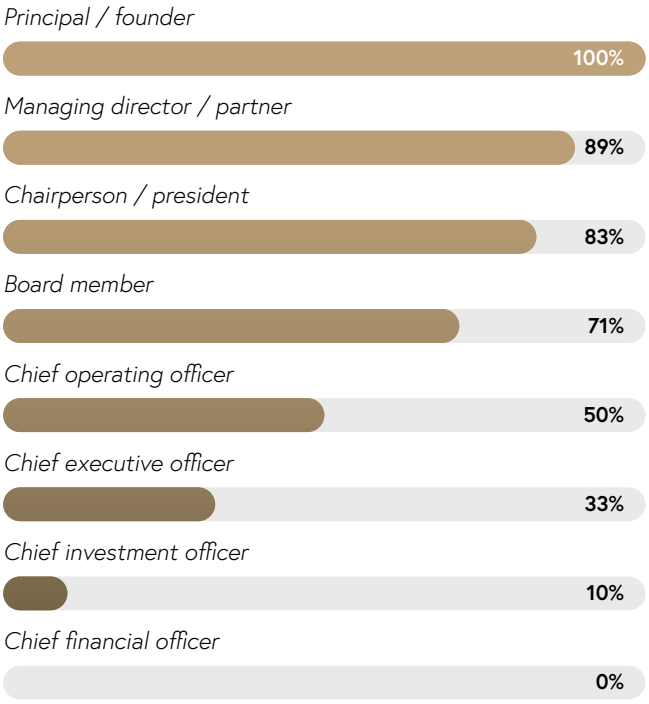
Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

3.2 *Talent*

Management

Naturally principals and founders of family offices are family members (**Fig 3.6**). Presidents, chairpersons and managing directors don't necessarily have to be, but more than 80 percent are. But, most interesting, one half of all chief executives and two-thirds of chief investment officers are non-family members. This provides some indication of the extent to which family offices have been professionalised. While family members dominate family office boards, they do not tend to occupy positions requiring specialist professional skills, such as chief financial officer or chief investment officer.

Figure 3.6: *Percentage of family office management who are family members*

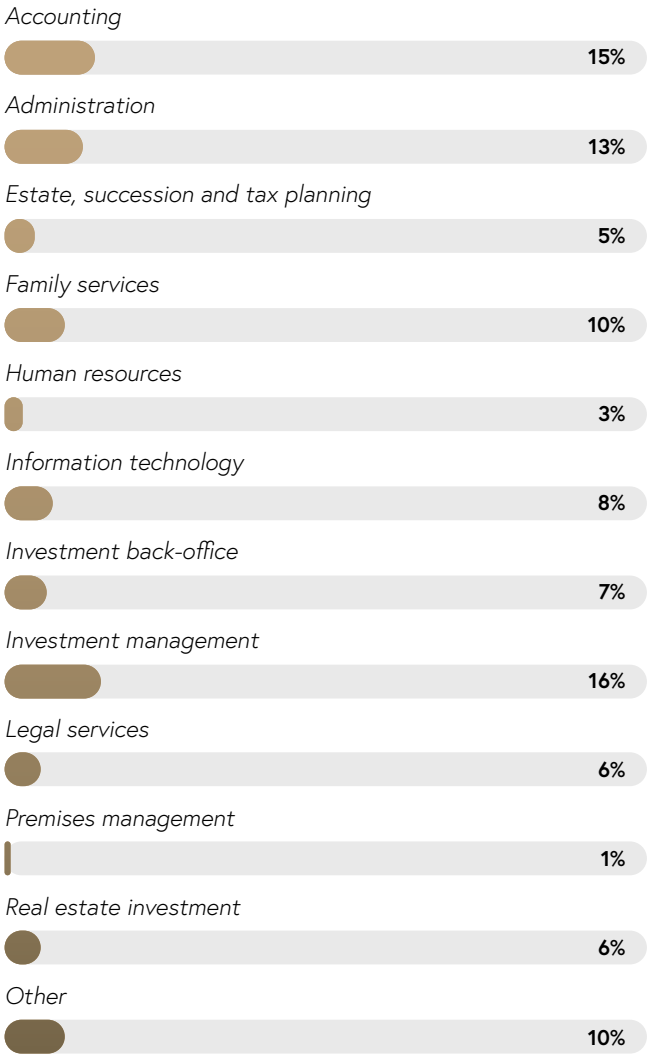


Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Headcount

Smaller Asia-Pacific family offices (AUM less than US $0.5 billion) employ on average 10 staff members. For larger family offices the average is slightly more than twice this figure. Almost one-third of staff are engaged in investment management (including real estate) and a further third in accounting and administration (including HR). The remainder are engaged in a multitude of functions including estate and tax planning, legal services, and IT (**Fig 3.7**).

Figure 3.7: *Functions of family office staff*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Compensation

The average base salary of Asia-Pacific family office chief executives is US $411,000. However, our survey data reveals a huge divergence in salary levels with the top decile earning above US $886,000 and the bottom decile below US $100,000. This wide disparity is also evident in the compensation of other C-suite executives (**Fig 3.8**).

Figure 3.8: *Average base salaries of family office executives (USD $'000)*

	Top 10%	Bottom 10%	Average
Chief Executive	886	100	411
Chief Investment Officer	940	59	430
Chief Operating Officer	513	36	202
Chief Financial Officer	286	32	148
Investment Manager	295	31	180
Accountant	195	32	116

Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

This disparity could reflect differences in the remuneration of family and non-family members (sometimes family members forgo competitive compensation) and differences in the size of family office (the bigger ones tend to be more generous) but the biggest factor is geographic location. The chief executive of a family office in Singapore is likely to earn eight times the salary of a chief executive in India.

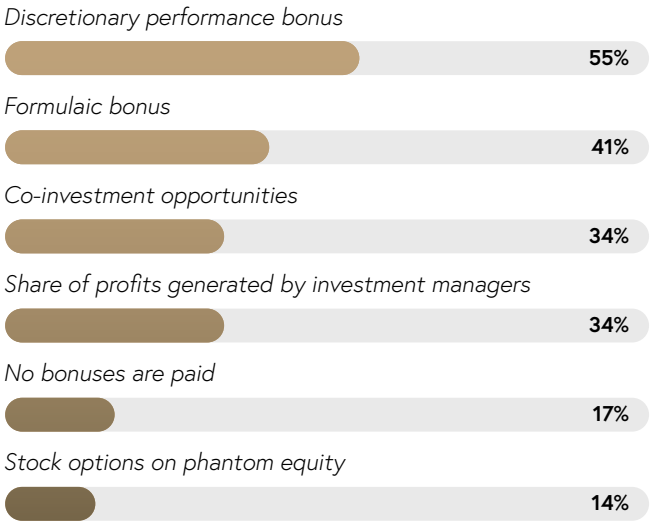
Figure 3.9: *Average base salaries by geography (USD $'000)*

	Singapore	Hong Kong	China	India
Chief Executive	555	340	150	70
Chief Investment Officer	457	310	50	65
Chief Operating Officer	394	198	50	45
Chief Financial Officer	170	290	80	45
Investment Manager	211	233	80	63
Accountant	110	250	50	28

Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Alongside base salaries, senior management in family offices are awarded bonuses. In 2023 these bonuses averaged between 20 and 30 percent for each senior management position, and around 10 percent for accountants.

Figure 3.10: *Percentage of family offices offering additional incentive*



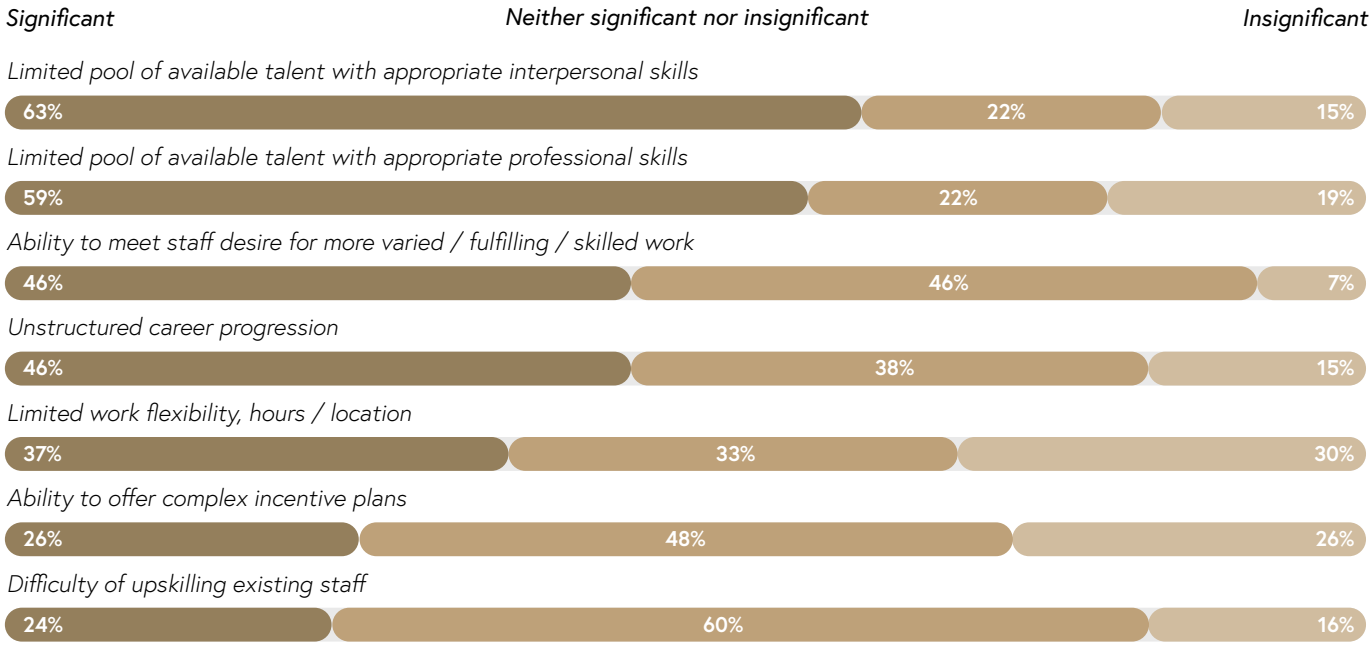
Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Retention and recruitment

Recruitment of finance professionals from external organisations is a challenge for family offices, not least because, as in the commercial world, they expect performance to be rewarded financially. As a result, the formulaic and discretionary bonuses which are offered by 83 percent of family offices are being supplemented with other forms of incentivisation payments (**Fig 3.10**). These include co-investment opportunities (34 percent), shares of investment management profits (34 percent) and options on phantom equity (14 percent).

A common complaint of family offices is the difficulty of recruiting. The limited pool of candidates with appropriate professional skills is cited by 63 percent of respondents while 59 percent highlight the limited number with appropriate interpersonal skills (**Fig 3.11**). The unstructured career progression perceived to be offered by family offices is seen as a constraint on recruitment while their ability to offer varied, fulfilling work is viewed by 46 percent of respondents as a constraint on staff retention.

Figure 3.11: *Significant issues in staff recruitment / retention*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024



India – The new kid on the block

The chief operating officer of one of India's oldest and most established single family offices has witnessed the extraordinary development of the country's family office ecosystem. Previously an accountant for the family business, he has overseen the establishment of a fully-fledged family office in Singapore. He reflects on the differences between Indian family offices and those elsewhere and the factors which have propelled the growth of the sector.

Tell us about the history of your family office.

"The family office was founded a quarter of a century ago. The concept of family office was hardly known in India at that point. The auditors of the family business suggested the idea as a means of separating the family's personal wealth from the business and professionalising the investment function. At the time there was a strict embargo on overseas remittances, but over the following decade these were gradually lifted, and it became possible to invest globally. A portfolio of overseas assets was built up in London but five years ago, heavily influenced by the measures Singapore was putting in place to attract family offices, we set up an office there to consolidate our investments.

The family hold a majority interest in the family business and so the primary investment function of the family office is the re-investment of the dividends we receive which means the investment portfolio grows every year."

It's estimated there are some 200 family offices in India, and I'm told the number is rising very quickly. Are there particular factors behind this?

"There's an element of catch-up here because the concept is still relatively new to India and the country has lacked a world-class financial centre. More specifically, foreign institutional capital is making strategic investment into Indian companies and many Indian entrepreneurs are either selling out or diluting their interests. These liquidity events enable the entrepreneurs to diversify their wealth rather than having all their eggs in one basket. Setting up a family office to handle investments is an effective way to ensure diversification is achieved. Remember these are business builders, not asset managers; when they come into money, they don't know what to do with it. Many of these newly established family offices have contacted me seeking to benefit from my experience.

I should point out that although liquidity events are often the midwives to family offices, this isn't necessarily the case. Many wealthy Indian families still own their family business with a prototype family office embedded within it."

How have families achieved diversification?

"The portfolios of Indian family offices are rather different from those of family offices elsewhere. Often there's relatively high exposure to government bonds because yields are much higher than in developed markets and exposure to private equity and venture capital is much lower because the ecosystem around this asset class is less developed.

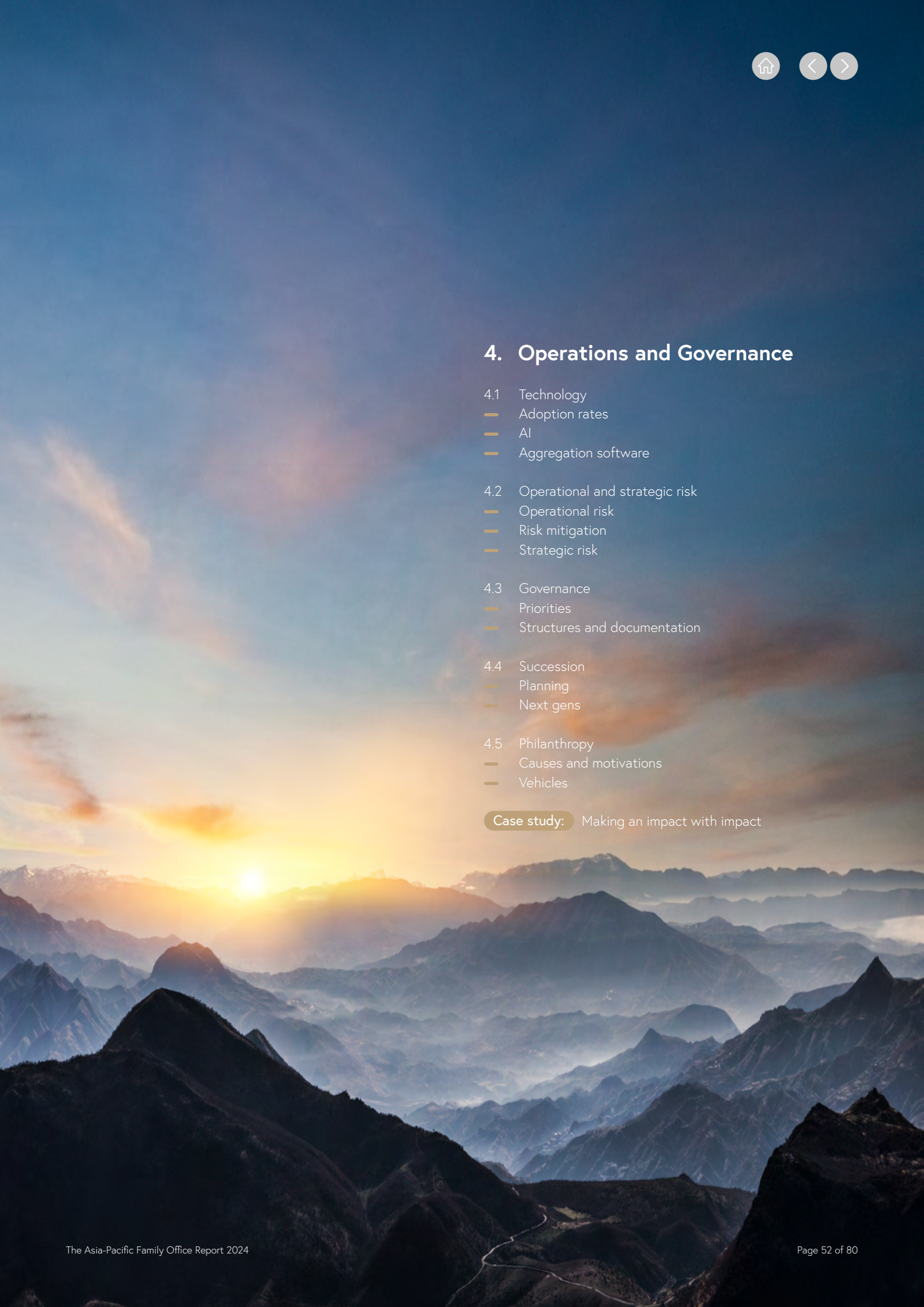
Aside from this the one common thread is that families are looking to move at least part of their wealth outside India. This is actually quite tricky because the Liberalised Remittances Scheme limits the international remittances of Indian citizens in one year to US $250,000. To circumvent this problem many very wealthy Indian families have moved their residence to another country as mine have done. Singapore, Dubai, and Cyprus are all popular choices."

What advice would you offer to an entrepreneur thinking about establishing his own family office?

"The entrepreneurs who have built large businesses probably recognise the importance of having the appropriate specialist in their family office. They should delegate the investment management function to managers and accounting, tax and estate planning to experienced professionals. In terms of expense control, it's better to have these functions in India rather than overseas if possible.

It's also important to understand that the functions within the family office are very often connected. For example, it's the job of the investment manager to weigh up the merits of a particular private equity investment. But beyond that a taxation specialist may need to decide which individual, trust or other legal entity should make the actual investment to keep it tax efficient and compliant with regulations. Managing the relationship between investments, tax, and compliance calls for a high degree of expertise.

The senior members of the family office have to communicate with each other, and it's even more important that they communicate with the principal and senior family members, particularly around the important issues of governance and succession. Winning their trust is the most important part of the job, and also the most rewarding."



4. Operations and Governance

4.1 Technology
- Adoption rates
- AI
- Aggregation software

4.2 Operational and strategic risk
- Operational risk
- Risk mitigation
- Strategic risk

4.3 Governance
- Priorities
- Structures and documentation

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- Next gens

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Case study: Making an impact with impact

4. Operations and Governance

Technology is radically changing family office operations, automating repetitive tasks and streamlining workflow. However, some other well-established technological products such as automated payroll, investment reporting and wealth aggregation platforms are not utilised as extensively as might be expected.

Normally cybersecurity is viewed as the primary operational risk facing family offices but this year, somewhat unexpectedly, cybersecurity only comes second on their list of concerns, which is headed by the manual aggregation of data. The main strategic risks facing family offices are perceived to come from tax, regulation and compliance frameworks imposed by regional governments.

Traditionally, the priority for family offices was seen to be the collaborative management and safeguarding of family wealth for present and future generations. But Asia-Pacific family offices do not conform to this general pattern, ranking communication with family members and care of aging family members ahead of managing investment risk. This points to personal relationships being perceived as more important than the business of managing family wealth, an important cultural difference.

Despite its importance, 35 percent of family offices have no succession plan. It is certainly the case that when the current generation is healthy and engaged there's a temptation not to address the succession issue until a real crisis occurs. But a simpler explanation is that in many family offices, the next generation is either insufficiently qualified or just too young for their post-succession roles to be considered.

Irrespective of the absence of succession plans, a generational wealth transfer is in prospect. 40 percent of family offices anticipate a transition of control to the next generation happening within the next 10 years, driven by the surge in family office formation that has taken place in the two decades post the millennium.

#1

Priority is investment management

43%

Use wealth aggregation platforms

40%

Anticipate transition to next-generation control over next decade

4.1 Technology

Adoption rates

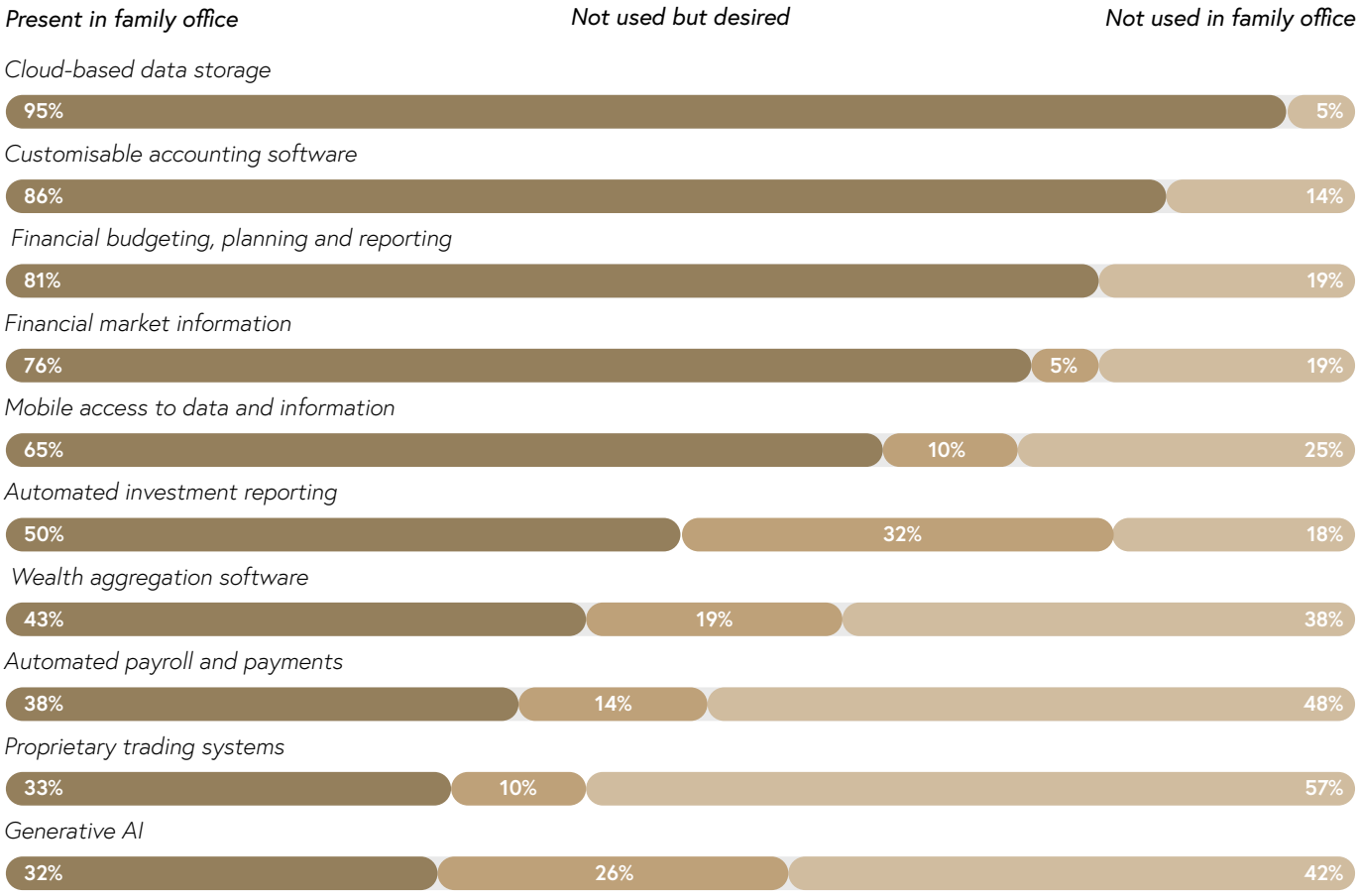
Technology is radically changing family office operations. Repetitive tasks are being automated, workflow systematised, and processes streamlined. Characteristic of new technology platforms is the ability to upload digital copies of documents into the cloud where they can be accessed both internally and externally, thereby limiting the time-intensive process of data entry. The advantage to family offices is enhanced productivity and elimination of human error. Additionally, there may be unintended benefits such as the capture of additional data and improved time management. On the other hand, licences for the use of new technology are not cheap, and the pace at which new systems are being rolled out means that it may be a sensible strategy for family offices to defer purchases on the basis that something better will shortly come onto the market.

Cloud-based data storage (95 percent), customisable accounting software (86 percent) and budgeting and reporting software (81 percent) have been almost universally adopted by Asia-Pacific family offices (**Fig 4.1**). However, surprisingly, other well-established technology products, principally mobile data access (65 percent) and automated payroll (38 percent) are not utilised as extensively as might be expected. The same applies to automated investment reporting (50 percent) and wealth aggregation platforms (43 percent) but significant percentages of family offices would like to utilise them.

"The emerging generation of family office leaders is tech-savvy. They have no hesitation employing new cutting-edge technology to streamline operations, automate workflows, and capture data. Very soon repetitive tasks such as data entry and investment reporting could all be automated, freeing up human capital for more productive endeavours."

Director, single family office, Hong Kong

Figure 4.1: *Presence and usefulness of technology platforms used in family offices*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

AI

32 percent of families claim to be using products employing generative AI, but it's unlikely that these products are making full use of the technology's potential. Ultimately AI software will be proficient at reading, interpreting, and contextualising all types of documents, producing accessible reports and data available to anyone using simple voice commands. In short, AI will be able to undertake any cognitive task involving human reasoning, decision-making, and content generation, and will therefore be a game-changer in all forms of work-related activities. For family offices it holds out the prospect of eliminating repetitive tasks, better decision-making, and the capacity to do more with less. Not surprisingly, 26 percent of family offices are looking forward to the advent of AI-enabled platforms.

Aggregation software

Over the past few years wealth aggregation platforms have been the "next thing" in family office technology. This trend is continuing; the current adoption rate of this technology among Asia-Pacific family offices at 43 percent is up from 30 percent last year.

Wealth aggregation platforms provide a comprehensive real-time view of a family office's financial landscape by consolidating data from multiple banks and investment managers. However, to be useful wealth aggregation platforms have to be flexible and able to accommodate all the intricacies of wealth ownership, taking account of legal structures like trusts and limited liability companies, and individual and group interests tied to these structures. They must also be versatile enough to handle the unique characteristics of the diverse asset classes populating family office portfolios; from the redemption cycle of debt securities to the capital call dynamics of private equity.

"This ability to automate numerous daily processes makes AI agents highly versatile and valuable in various contexts. The next step is transitioning this technology to interact with the physical world, creating tangible applications. Already, we see primitive versions of AI-enabled objects in hospitals and libraries, but these are just the beginning. In the future, humanoid robots will become much smarter, able to communicate verbally and interact with humans in sophisticated ways."

Chairman, single family office, Hong Kong

"The crux of AI is real-time decision-making, involving immediate choices based on current, incoming data rather than historical information. An example is Tesla's autonomous driving system, which continuously receives and processes real-time visual data to make split-second decisions while on the road. This approach contrasts with older AI that rely on historical data for analysis and decision-making such as the large language models."

Managing director, single family office, Singapore

4.2 *Operational and strategic risks*

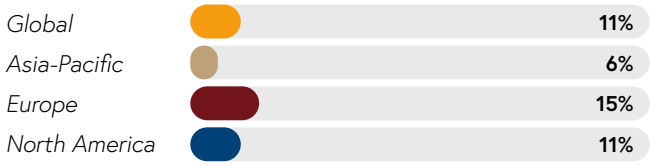
Operational risks can be defined as the uncertainties and hazards an organisation faces when conducting its normal activities. In addition, there are strategic risks which, if they crystallised, could pose a serious structural impediment to activities.

Operational risk

Family offices face some unique challenges where operational risk is considered; principally the privacy and security of family members and safeguarding the family's wealth and reputation. In recent periods their principal operational concern has been cybersecurity, recognising that family offices as custodians of wealth are in the crosshairs of online fraudsters and scammers. But this year, somewhat unexpectedly, cybersecurity only comes second on their list of concerns (**Fig 4.2**), which appears to be related to increasing confidence in the countermeasures which many family offices have put in place. Also, the incidence of cyber-attacks among Asia-Pacific family offices is noticeably lower than elsewhere (**Fig 4.3**).

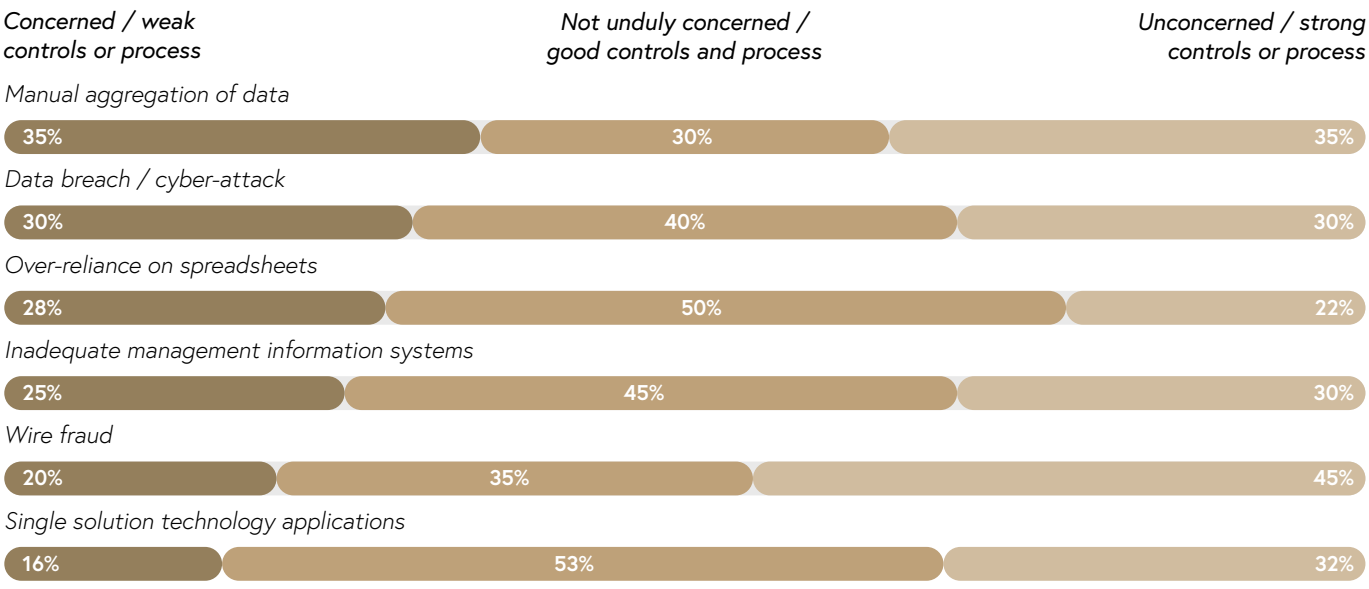
Heading the list of concerns is the manual aggregation of data (35 percent) which is repetitive, time-consuming and prone to human error. It's also closely related to over-reliance on spreadsheets (28 percent). Spreadsheets have the advantage of flexibility, but they generally represent the intellectual capital of one specific individual which doesn't necessarily lend itself to producing a streamlined process. Additionally, there is the risk of human error and data loss through resignation or retirement of staff members with specialist skills or knowledge. On the positive side it's reassuring to learn that three-quarters of family offices believe their management information systems are up to the mark.

Figure 4.3: *Percentage of family offices experiencing a cyber-attack within past 24 months*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 4.2: *Percentage of family offices expressing concern over specified operational risk*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Risk mitigation

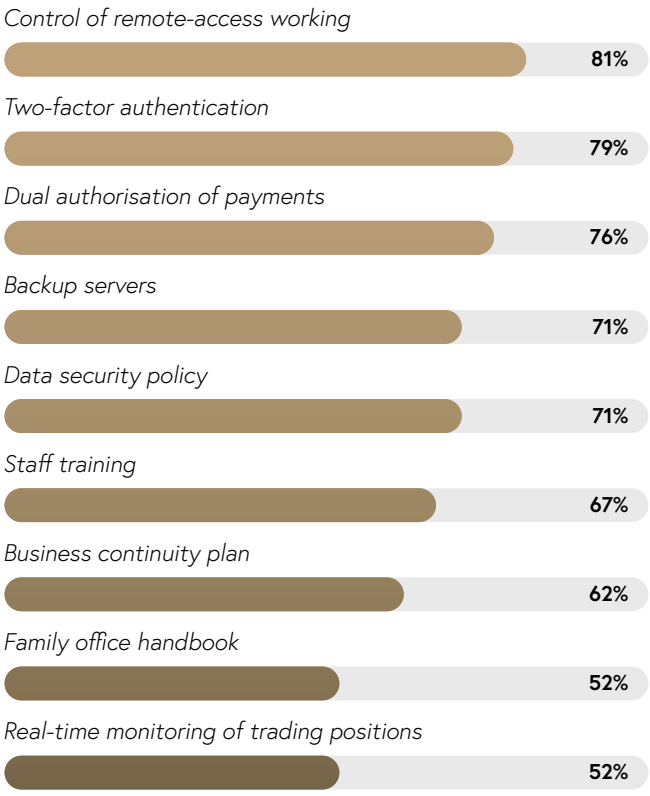
Having highlighted the most prominent operational risks, **Fig 4.5** lists the measures family offices adopt to counter them. Control of remote-access working (81 percent), two-factor authentication (79 percent), and dual authorisation of payments (76 percent) are standard, protecting against theft and wire fraud. 71 percent employ backup servers as a defence against cyber-attacks and IT system failures, and an identical percentage enforce a data security policy. To a lesser extent family offices also rely on staff training (67 percent) and their own family office handbooks (52 percent). Having these and other measures in place do not of themselves make the family office secure. They need to be monitored, tested and updated regularly because, in a complex world, new operational risks requiring assessment and evaluation are always going to emerge.

Figure 4.4: *Percentage of family offices employing dual authorisation of payments*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 4.5: *Percentage of family offices with identified measure to reduce operational risk*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Payments require three signatories which may seem a touch excessive. We use two-factor authentication to identify everyone on the opposite side of every transaction. I'm on the other side of all transactions and I know I'm not a bad actor. We have professional indemnity insurance which would click in if there was a fraud, but we've never had to make a claim. It costs an arm and a leg but it's probably worth it for peace of mind."

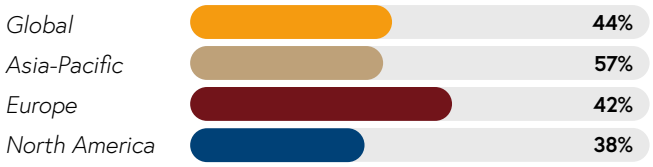
Managing partner, multi-family office, Australia

Strategic risk

The main strategic risks facing family offices (**Fig 4.6**) are perceived to come from tax, regulation and compliance frameworks imposed by regional governments (57 percent). This is a rather unexpected result because none of the region's principal financial hubs have taken any material measures to increase the tax or compliance burden on their family offices, although at the margin new family offices setting up in Singapore will have to spend more locally in order to qualify for tax incentives. This factor apart, Singapore and Hong Kong are still competing aggressively to attract family offices and the authorities in Malaysia and Indonesia have announced plans to achieve the same outcome. Interestingly the percentage of Asia-Pacific family offices concerned by tax and compliance issues is much higher than for family offices globally, despite the region enjoying much more liberal regimes than North America and Europe.

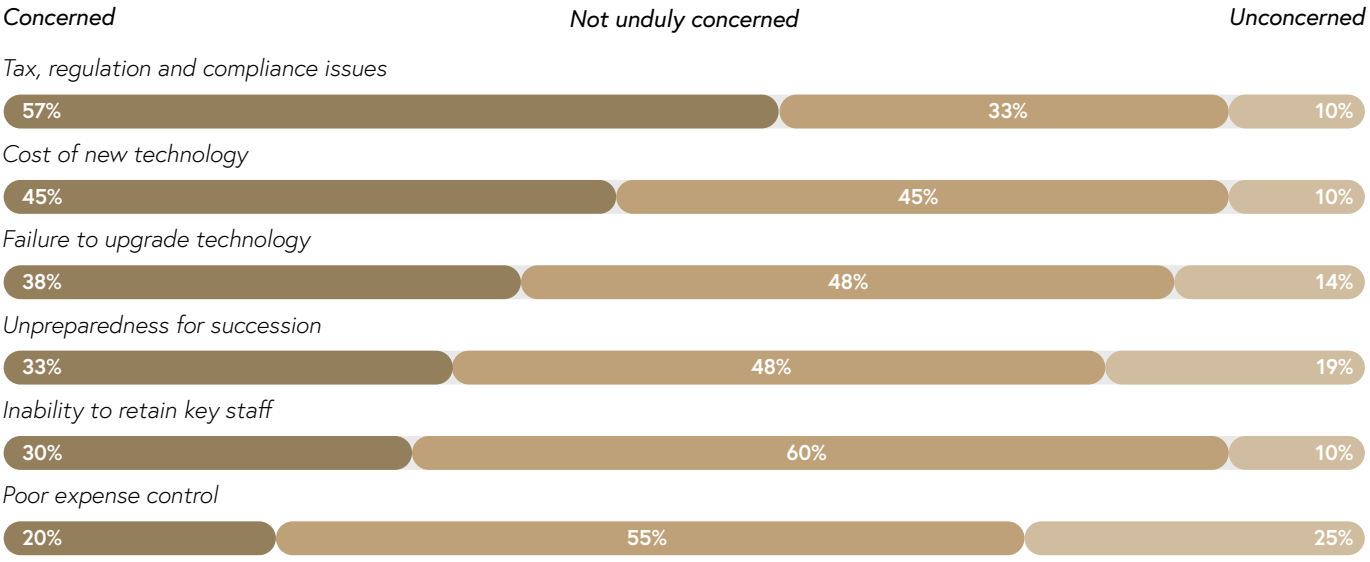
The cost of new technology and the related risk of failing to upgrade technology is seen as a serious strategic concern by only 45 percent and 38 percent of respondents respectively. It seems that the majority of family offices are prepared to continue to work with older, less sophisticated technology even if it's sub-optimal. On the positive side the majority of family offices do not see the loss of key staff or poor cost control as major strategic risks.

Figure 4.7: *Percentage of family offices expressing concern over tax, regulation and compliance issues*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 4.6: *Percentage of family offices expressing concern over specified strategic risk*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

4.3 *Governance*

Priorities

European and North American family offices see their purpose as the collaborative management and safeguarding of family wealth for present and future generations. Normally this shows up in survey responses through the management of investment risk being identified as the number one priority for family offices and determination of investment policy ranking high up their "To do" list. But Asia-Pacific family offices do not conform to this general pattern; they put communication with family and care of aging family members above managing investment risk (**Fig 4.8**). This points to personal relationships being perceived as more important than the business of managing family wealth and it may be that some interesting cultural differences can be discerned from this result.

Establishing a family legacy, oversight of human capital, and education of next gens are not seen as priorities for family offices either in Asia-Pacific or globally.

Figure 4.8: *Ranking of family office governance priorities*

1st	Communication with family
2nd	Care of ageing family members
3rd	Protect family reputation
4th	Managing investment risk
5th	Determine investment policy
6th	Establish family legacy
7th	Facilitate family council
8th	Managing operational risk
9th	Financial education of next generation
10th	Oversight of human capital

Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

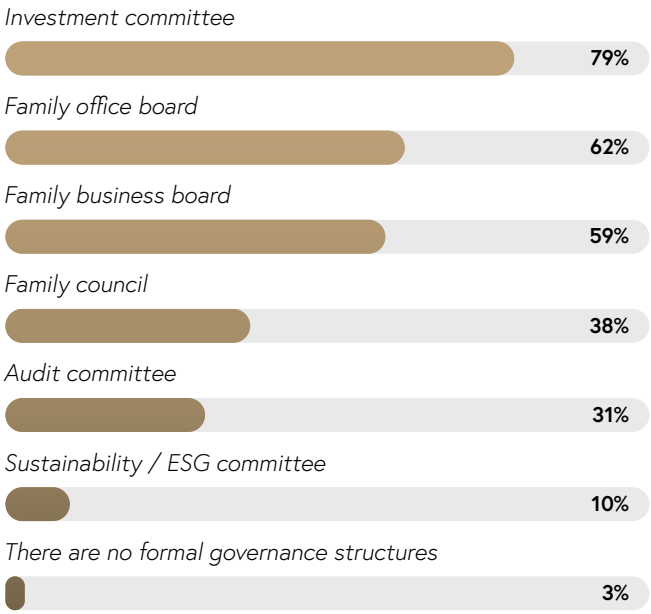
"I believe the long-term success of any family office will hinge on three factors. The ability to manage evolving family dynamics, transparency in decision-making, and communication to provide clarity on strategic decisions affecting family wealth."

Director, single family office, India

Structures and documentation

In the context of family offices, governance is the collection of rules, values and principles which formalise the family office's mode of operation. They can be embedded in documentation or a tangible structure. Given the importance of their investment function, it's no surprise that an investment committee is the most common governance structure, found in almost 80 percent of Asia-Pacific family offices (**Fig 4.9**). Aside from determining investment policy and strategy, it facilitates the onboarding of non-family investment professionals as non-executive directors and advisors.

Figure 4.9: *Governance structures commonly found in family office*



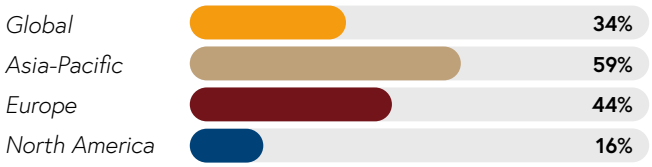
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Family legacies can take on various forms beyond financial assets. There are emotional legacies encompassing values, traditions and beliefs passed through the generations, and social legacies which determine engagement with external communities. Securing the family legacy involves both financial considerations and ensuring the traditions and values are respected and preserved for future generations."

Chairman, single family office, Hong Kong

Only 62 percent of family offices in our survey have a family office board. This seems unexpectedly low but comments from participants indicate that a formal board structure may only be viewed as a necessity when the family office is professionalised and not under the exclusive control of the family. Nearly half of participating family offices are controlled by first-generation wealth creators who are probably accustomed to making decisions independently and are yet to formalise family office governance. Likewise, less than 40 percent of family offices have a family council, but again, family councils are unlikely to be viewed as an essential when only the first generation is involved and there are only a limited number of members. Nonetheless it's remarkable that all but 3 percent of family offices have at least one formal governance structure. Part of the reason for this is that many Asia-Pacific family offices, unlike their North American counterparts, still retain their family businesses which are managed through a dedicated family business board.

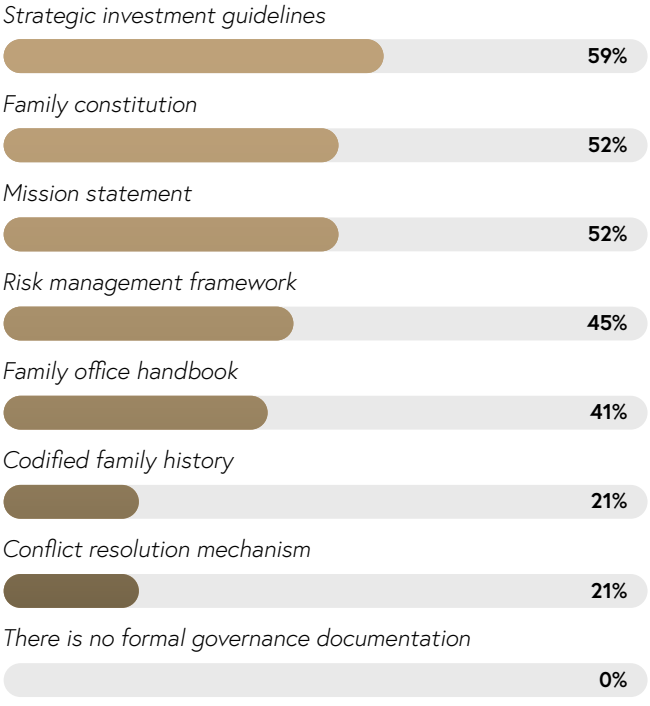
Figure 4.10: *Percentage of family office participants with family business board*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

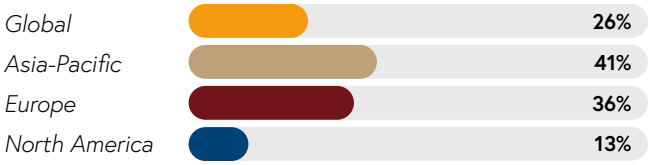
Much of the documentation forming part of family office governance (**Fig 4.11**) is there to regulate investment decisions by setting down strategic investment guidelines (59 percent) and risk management frameworks (45 percent). The remainder is there to instil a sense of purpose and unity in the family. This would include mission statements (52 percent), and family constitutions (52 percent). First-generation wealth creators can pass their values, sense of mission and history to their children. However, future generations may well have no first-hand experience of the founder at a time when understanding the family's shared purpose is essential for its cohesiveness. This explains the importance of documents such as family constitutions and mission statements, and Asia-Pacific family offices appear to recognise this more than their global peers (**Fig 4.12**).

Figure 4.11: *Documentation commonly forming part of family office governance*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 4.12: *Percentage of family offices with both family constitution and mission statement*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Family offices which are now led by a younger generation are adopting well-defined governance policies and procedures for the planning and execution of investment strategies, risk management, compliance, and ethical standards. Clear communication channels, well-defined roles for family and non-family members, family governance policies, and family constitution norms are being established and implemented to ensure sustainable wealth management, smooth succession planning, and avoidance of conflicts."

Director, single family office, India

"Does a family office have a natural end point? When it's established the idea is that it will last forever. But if there are too many bad investments, or indeed too many generations and too many offspring it might get to the point where the family office is no longer viable. Family members may want to manage their wealth individually rather than collectively."

Managing partner, multi-family office, Australia

"There are two schools of thought about legacy. One is where the family carries the wealth and values, passing them on to the next generation, and the other is where the family is making sure that each generation can create wealth and values of their own."

Managing director, single family office, Singapore

"The first generation made its money importing animal feed from China and selling it in Hong Kong. The second generation sees this as boring and looks for new opportunities. This is OK so long as these markets are understood and the risks are reasonable. The first generation needs to be respectful in terms of how things should transform from one generation to another."

Director, single family office, Hong Kong

4.4 Succession

Planning

Succession planning is a critical element within governance. Planning is essential to ensure that capable individuals fill leadership positions and the risk of business disruption is minimised. Planning also needs to take account of the personal development of future leaders to ensure that they are equipped for the task. Despite its importance, 35 percent of family offices have no succession plan, which may prove problematic for some, but nonetheless stands out well against global peers (**Fig 4.13**).

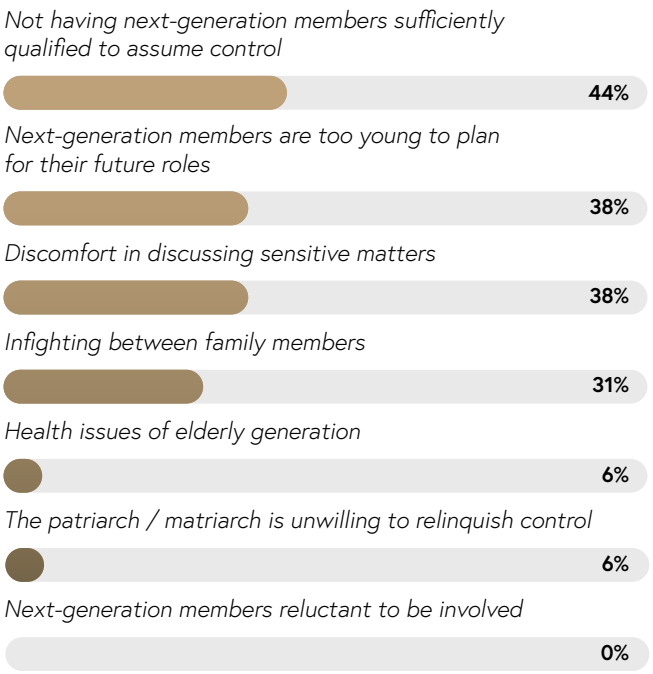
Figure 4.13: *Percentage of family offices with succession plan*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Given its importance, why don't more family offices have succession plans? It is certainly the case that when the current generation is healthy and engaged there's a temptation not to address the succession issue until a real crisis occurs. But a simpler explanation is that in many family offices, the next generation is either insufficiently qualified (44 percent) or just too young (38 percent) for their post-succession roles to be considered (**Fig 4.14**). All the responses in this table come from family offices which do have a succession plan so the challenges set out in it can be viewed as surmountable obstacles rather than permanent blockages. Additionally, it's encouraging that no respondent cited a reluctance on the part of next gens to become involved.

Figure 4.14: *Challenges to succession planning*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Family and ownership transitions are at their most challenging in the early stages – from the first to second generations, or from the second to the third. The elder generation leaders often feel they are at the peak of their powers but they have to consider how to make space so the younger generation can participate. In the shrinking families of the modern era, in parts of Southeast Asia where the birthrate has plummeted, there is the very real prospect of a next generation being unwilling or unable to place their future in the firm."

Chairman, single family office, Hong Kong

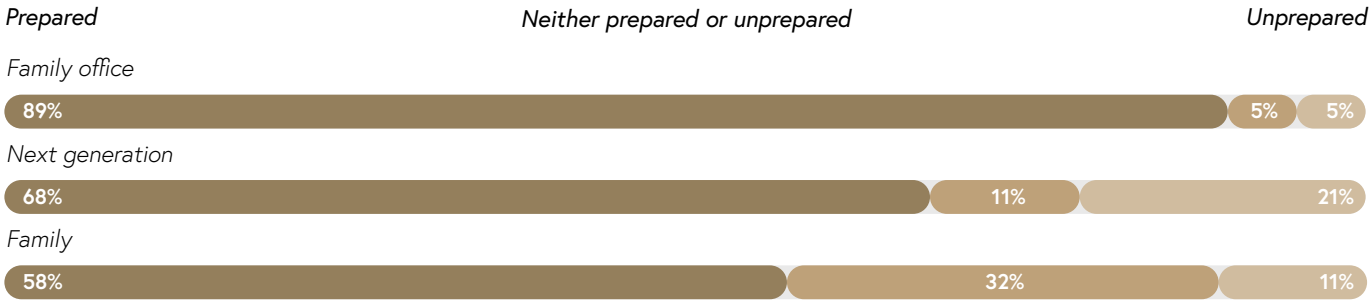
"Letting go is a tough challenge for anyone. It is especially tough for founders, who have invested the best of themselves and their lives."

Chief executive officer, multi-family office, Singapore

Next gens

The vast majority (89 percent) of family offices see themselves as prepared for succession (**Fig 4.15**), and this may explain why family offices do not see succession as a major strategic challenge (**Fig 4.6**). But far fewer believe that their respective families (58 percent) and next gens (68 percent) are equally well prepared. In fact, 21 percent view their next gens as unprepared which aligns with the message from **Fig 4.14**.

Figure 4.15: *How family offices with a succession plan view preparedness for succession*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

If next gens are not sufficiently prepared or qualified for a post-succession role it's not because family offices have ignored the issue. Popular initiatives to support next gens include financial assistance with their own business ventures (46 percent), introduction to legal and financial professionals (38 percent), and internal and external work experience (31 percent).

"The first generation are invariably entrepreneurs. But after the family business is sold in the second or third generation the family become passive investors owning financial assets. The challenge for the family is how to promote wealth creation in each generation. Once the family loses its entrepreneurial skills they are hard to get back."

Director, single family office, Hong Kong

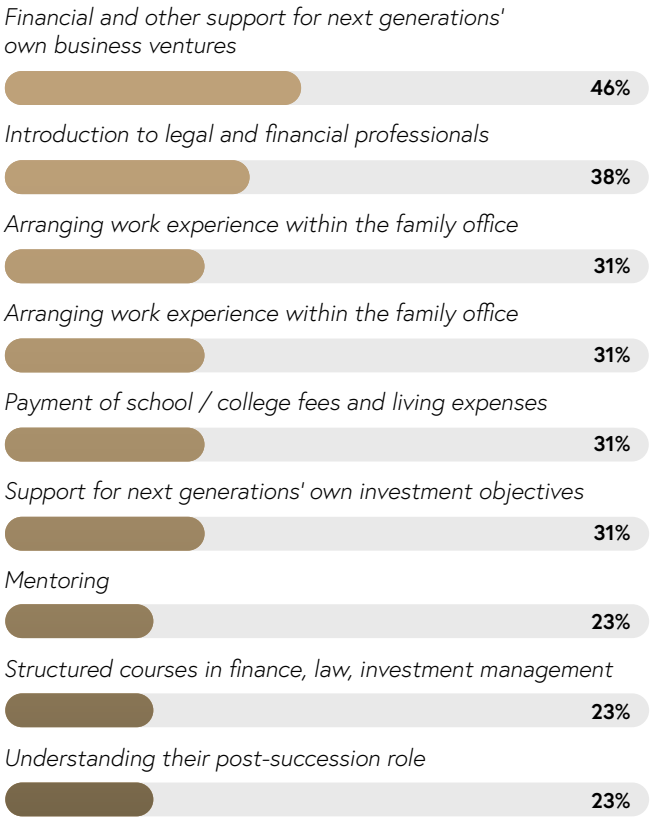
"The family business is a car dealership. The next gen member is highly tech orientated and has written, and is currently monetising, a ride-hailing app. The family's old business is encouraging people to buy cars, while the new business is encouraging people to use them less. This is the perfect combination of an established enterprise and a disruptor."

Managing director, single family office, Singapore

"It's common for a wealthy Chinese family to send their eldest son to the US, their daughter to the UK and the second son to Australia to progress their education. They get visas to settle temporarily in each new country and assets are passed out from the family trust in China and embedded in Western financial institutions."

Chairman, single family office, Hong Kong

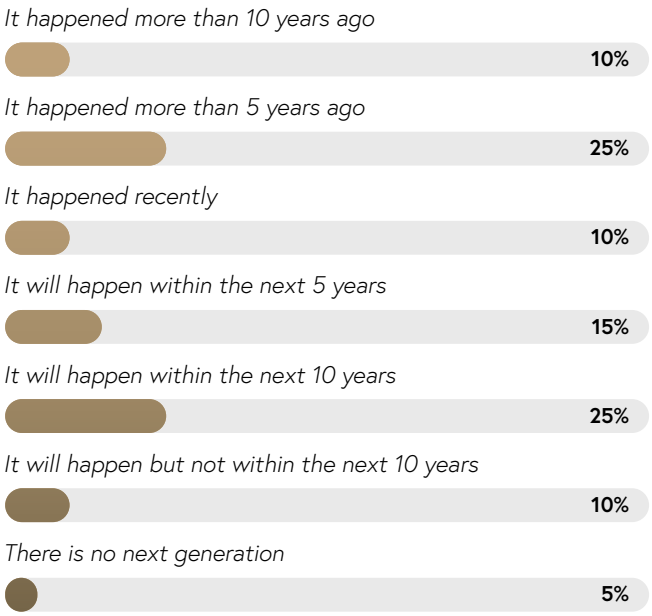
Figure 4.16: *Support family office offers next gens*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

There are two elements to succession. First, a change in control of the family office as the elder generation steps down from senior management posts and second, an intergenerational wealth transfer as personal wealth shifts to next gens. The former is likely to be related to the retirement of an individual and the latter to their passing. Therefore, there's no reason why these events should occur contemporaneously but the timescale over which family offices expect control to transfer to their next gens provides some insight on the timescale of the potential wealth transfer. **Fig 4.17** reveals that for 35 percent of participating family offices control passed relatively recently, that is within the last decade, while 40 percent expect control to pass within the coming decade. This could well prove a realistic estimate because almost 60 percent of family offices were established between 2000 and 2020 (**Fig 1.9**) and it is from this cohort that first-generation founders will most likely be at retirement age. If our sample of participating family offices is indicative, the pace of intergenerational wealth transfer seems unlikely to slow.

Figure 4.17: *When the next generation is expected to assume control*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

4.5 Philanthropy

Causes and motivations

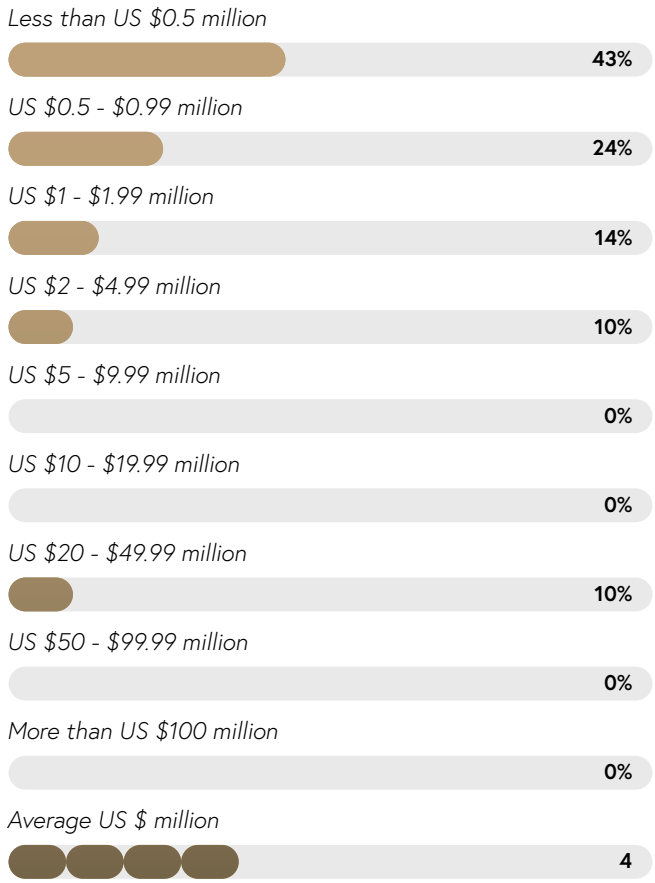
Figure 4.18: *Percentage of family offices engaged in philanthropy*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Three-quarters of Asia-Pacific family offices make philanthropic donations. The majority of these donations are less than US $1 million, but a limited number of very large donations pushes the average up to US $4 million (**Fig 4.19**).

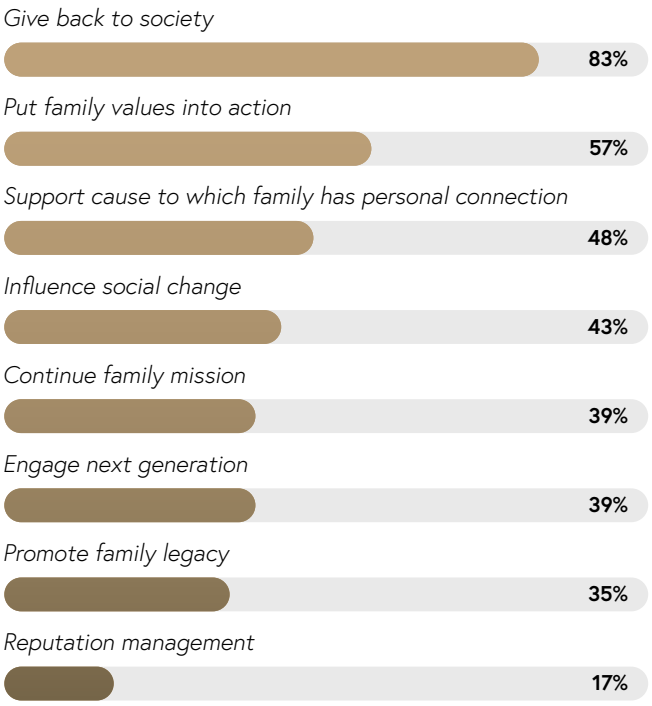
Figure 4.19: *Size of philanthropic donations*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Families have a strong desire to give back to society (**Fig 4.20**) and this provides the principal motivation for their philanthropic efforts (83 percent). In addition, philanthropy is seen as an opportunity to put family values into action (57 percent) and, to a lesser extent, to engage the next generation (39 percent).

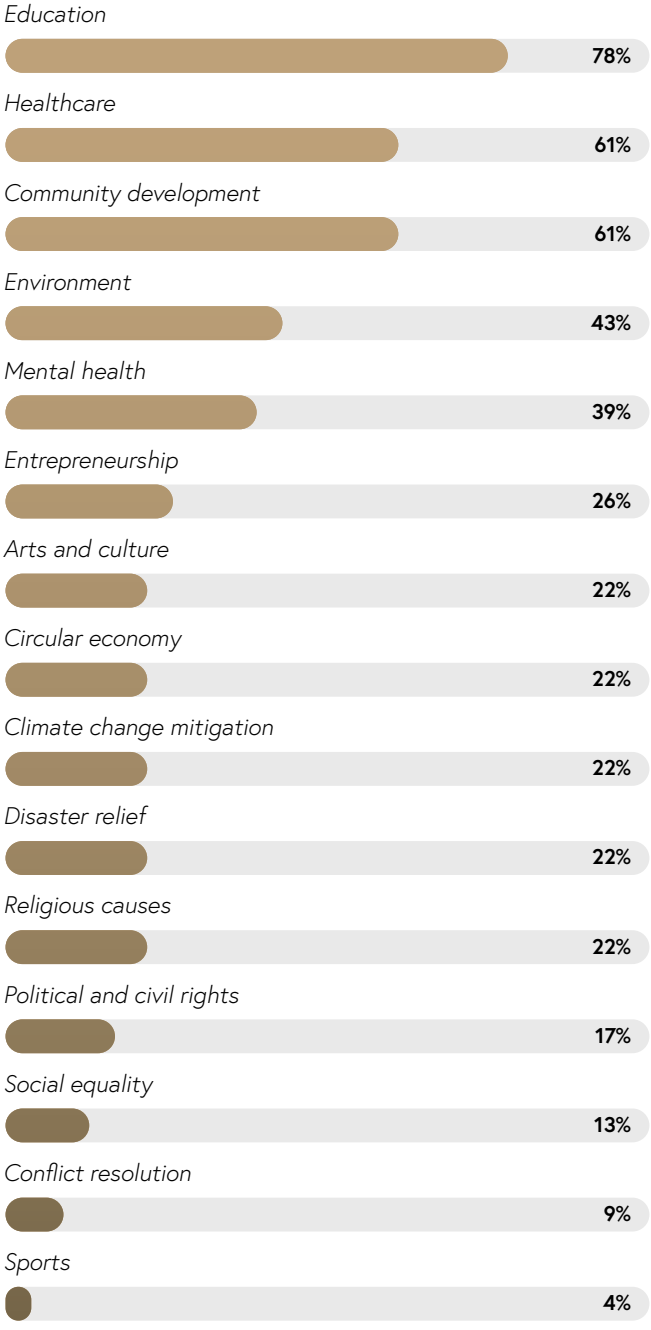
Figure 4.20: *Motivation for engaging in philanthropy*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Donors are inclined to support causes to which the family has some personal connection (48 percent) and this may explain why education (78 percent), healthcare (61 percent) and community development (61 percent) top the list (**Fig 4.21**). A feature of all these causes is that they entail a long-term commitment; families are attempting to address the root cause of problems rather than just providing sticking-plaster solutions. Hence their efforts are more accurately described as philanthropic rather than simply charitable.

Figure 4.21: *Percentage of family offices supporting cause*



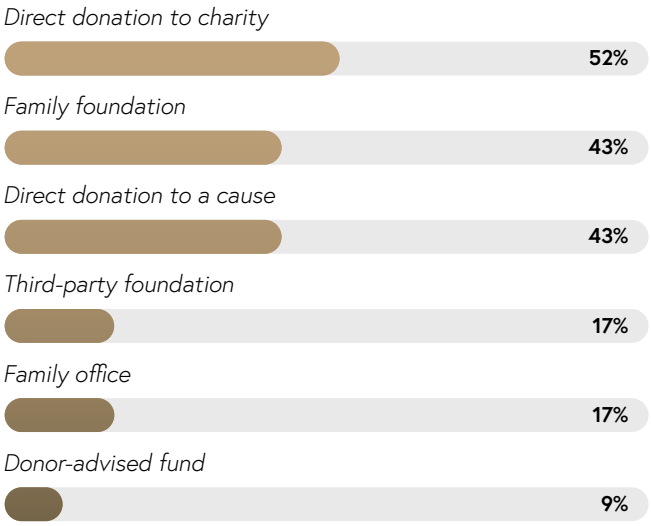
Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Vehicles

More than 40 percent of ultra-high net worth Asia-Pacific families operate their own foundations. These foundations, predominantly in Hong Kong and Singapore, do not bring the same tax advantages as similar foundations in the United States because there is no inheritance and capital gains taxes in these jurisdictions. However, they do have charitable status, which means that donations made to them are tax exempt up to certain proportions of the donor's income. They are useful vehicles through which to establish a family legacy, house expertise for evaluating non-profit organisations and impact investments and generally optimise the deployment of philanthropic funds.

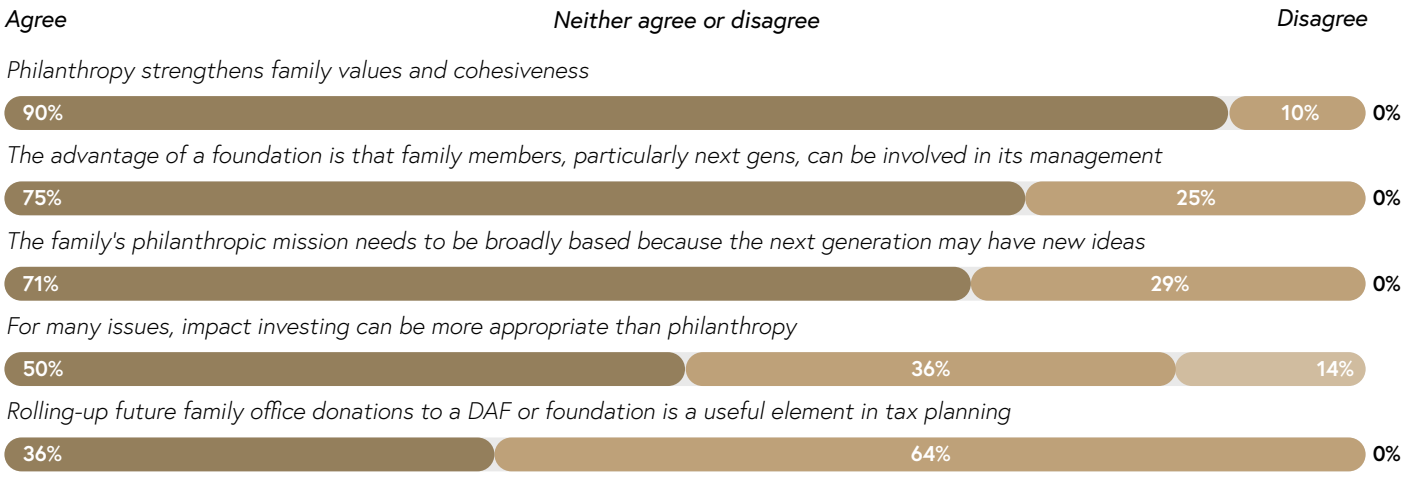
It is often argued that putting the family's purpose and mission into practice through philanthropy should strengthen its values and cohesiveness, a view supported by 90 percent of our participants (**Fig 4.23**). 75 percent also recognise the merits of family foundations engaging next generation members in philanthropy. Asia-Pacific family offices are fans of impact investing (**Fig 2.29**) and 50 percent believe that in many instances it can be more appropriate than philanthropy.

Figure 4.22: *Vehicles used for philanthropic giving*



Note: Multiple answers permitted
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Figure 4.23: *Extent to which family offices agree or disagree with statement*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

"Family philanthropy is adopting a more strategic approach toward giving and measuring the impact of their charitable contributions. The new focus is on impact investing with sustainable and long-term growth strategies that balance financial returns with environmental and social considerations."

Chairman, single family office, Hong Kong

"Not many of my families have foundations. The reason is that in Australia foundations are legally bound to give away at least 5 percent of its assets every year. The families prefer something less systematised. Individual giving is more spontaneous, more unfettered and it can still be extremely generous."

Managing partner, multi-family office, Australia

"Philanthropy gives tangible form to family values. Apart from helping to instil these values and and strengthen family bonds, philanthropy also provides opportunities for family members to embrace meaningful responsibilities and build capabilities."

Managing director, single family office, Singapore





Making an impact with impact

The interviewee is both chairman of a Singapore-based family office and vice chair of its recently established family foundation. The foundation supports projects focusing on healthcare, clean energy and education. The family mission statement requires all the family's assets, the operating businesses, investments, and philanthropy to operate for the public good. He is an enthusiastic advocate of impact investing.

Can you explain the relationship between philanthropy and impact investing?

"Impact investing is an investment strategy that seeks to generate financial returns while also creating a positive social or environmental impact. This can occur via investing directly in private companies or funds with an explicit social mission. This social mission could range from carbon sequestration to dental provision for low-income families and anything in between. Normally family offices start impact investing on the private side through a small investment in a venture or private equity fund, but as the concept gains traction opportunities involving green bonds, private debt and even public equities have become available.

Impact investing and philanthropy are intimately entwined. The former has a reputation for producing good without offering attractive returns and philanthropy of course is just impact investing with no prospect of return. But from my personal experience the return from an impact investment can exceed that of traditional investments and in addition there will be a social or environmental benefit. Consequently, I don't accept that an investment creating meaningful impact means that the investor is necessarily accepting a substandard financial return. Even if the social or environmental benefit is not valued by the investor it will be valued by society.

Impact investing is more strategic and more proactive than philanthropy. Attempting to find transformational solutions to massive fundamental problems doesn't come cheap, and may not be possible without excessive risk-taking, particularly when new untried technology is involved."

Why has impact investing taken time to become mainstream?

"Impact investing is often considered concessionary as the financial return may be lower than traditional investments where the public good is not a concern. Impact investors need to decide for themselves how much of a concession in financial ROI they are willing to make in order to generate a social or environmental return.

Impact has also been criticised for generally needing a lengthy timescale to reap both financial and public good returns. But this shouldn't be too much of a problem for family offices. Unlike institutional investors who have to beat a benchmark index every quarter, family offices can afford to take a long-term view. Private equity and venture capital are their go-to natural asset classes. The transition to net-zero-carbon emissions and a sustainable future is going to require a lot of investment. Many clean energy, transition and carbon mitigation projects employ untried new technology and are therefore deemed too risky for traditional private sector capital. Family offices, through impact investing, can finance the early stages of these projects, enabling them to be de-risked, scaled up and ultimately attractive to institutions.

A subsidiary issue is that traditionally philanthropy tends to be handled by family foundations while impact is the responsibility of family offices under their general investment mandate. But the two classes of organisation don't tend to work together in collaboration. It would be a good idea for family offices and their associated family foundations to work together, learn from each other and pool funds when making grants and investments. I make sure this happens at the institutions I'm responsible for. At the end of the day the pool of funds available for impact investing is much bigger than the funds available for philanthropy alone. Impact's ability to make an impact is therefore much larger."

Can you give an example of the impact investments you have made?

"I've invested in a leading impact fund which holds around a dozen businesses in its portfolio. One of these companies produces sustainable animal feed from insects and a second supplies technology to large data centres which reduces their energy requirement. Most impressive of all however is a company which manufactures biodegradable plastic packaging. The other holdings provide educational, dental, and medical services to relatively poor communities in Asia, but outside Singapore. In a broad sense this is addressing the issue of wealth inequality.

The interesting thing about this fund, aside from the problems their investments are attempting to solve, is that they do exactly measure their impact in terms of reduced carbon emissions and avoided plastic pollution. Again, one of the criticisms levelled against impact is that it's often difficult to measure social or environmental improvements brought about by the investment. But, as this fund demonstrates, virtually anything can be measured if you think creatively."



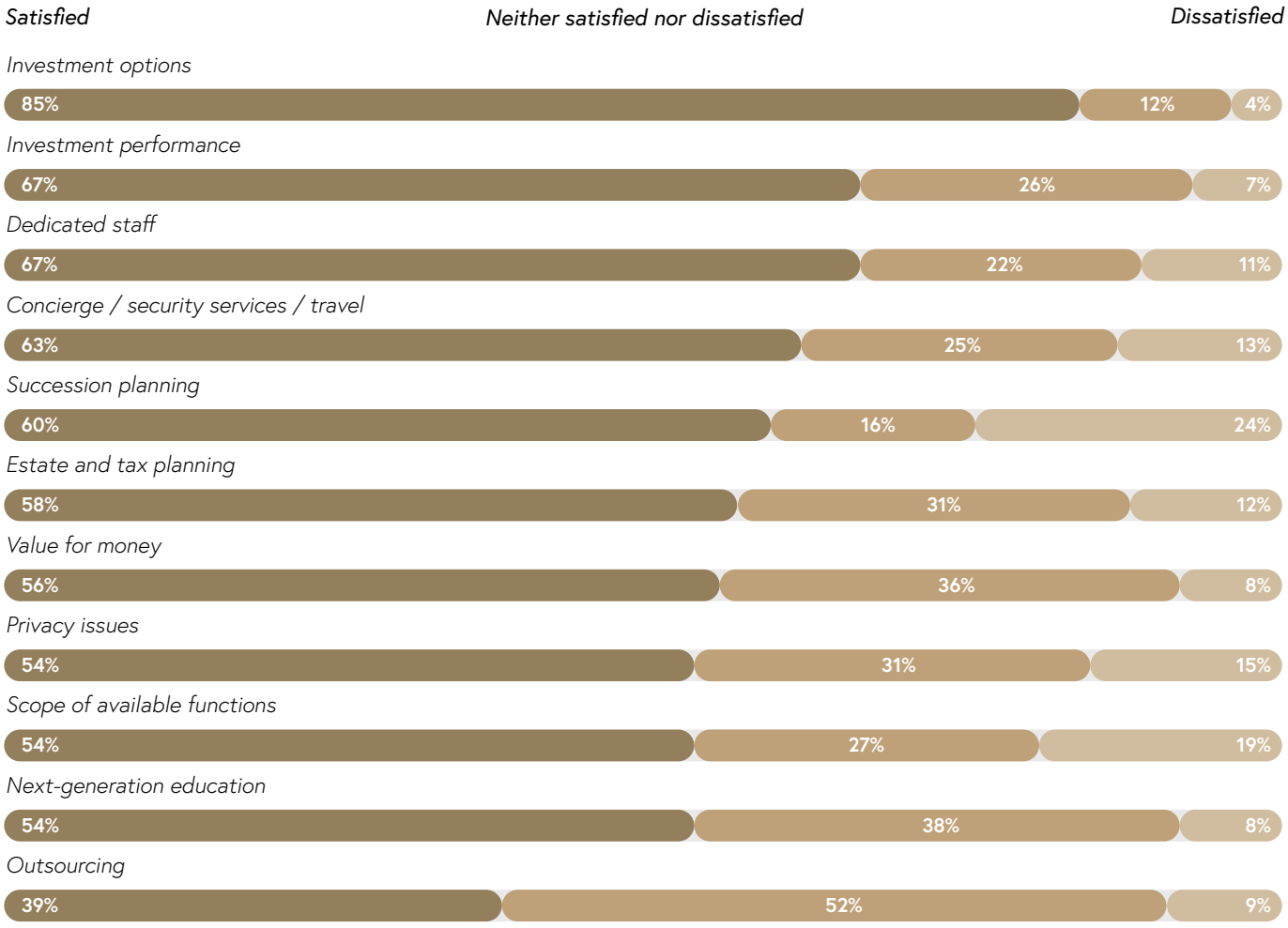
5. Conclusion

5. Conclusion

This report attempts to shed light on the operations of Asia-Pacific family offices. It recognises that this community is far from homogeneous and that they differ markedly in size, operating models and capabilities, and that's before considering different locations and therefore being subject to different tax, compliance and regulatory regimes.

Our purpose is to provide some useful benchmarks against which individual family offices can assess themselves relative to their peers. Additionally, it might be useful to draw some conclusions about what we believe family offices do well and possible areas of improvement. To facilitate this we asked survey participants for their level of satisfaction with their family office's performance of certain key functions and their view of its core competencies.

Figure 5.1: *Percentage of participants satisfied with their family office function*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

85 percent of participants expressed satisfaction with the investment options offered by their family office and 67 percent with its investment performance (**Fig 5.1**). Given that investment is normally viewed as a family office's top priority, this is a strong endorsement. Participants were satisfied with the dedication of their family office staff (67 percent) and the personal services (concierge, security, travel) they provide (63 percent). However, only 56 percent believed their family office offers value for money; this is low by global standards (**Fig 5.2**).

At the bottom end of the table is the level of satisfaction with outsourcing which probably reflects the quality of services that family offices receive from external vendors. This could be particularly problematic for smaller family offices which rely more heavily on outsourcing. Likewise, there is relatively low satisfaction (54 percent) and relatively high dissatisfaction (19 percent) with the scope of services family offices offer, and again this may be indicative of pressure on smaller family offices to extend the range of services they offer.

Other functions where family offices appear to be falling short of expectations are succession planning (24 percent dissatisfied) and the associated issue of next-generation education (54 percent satisfaction).

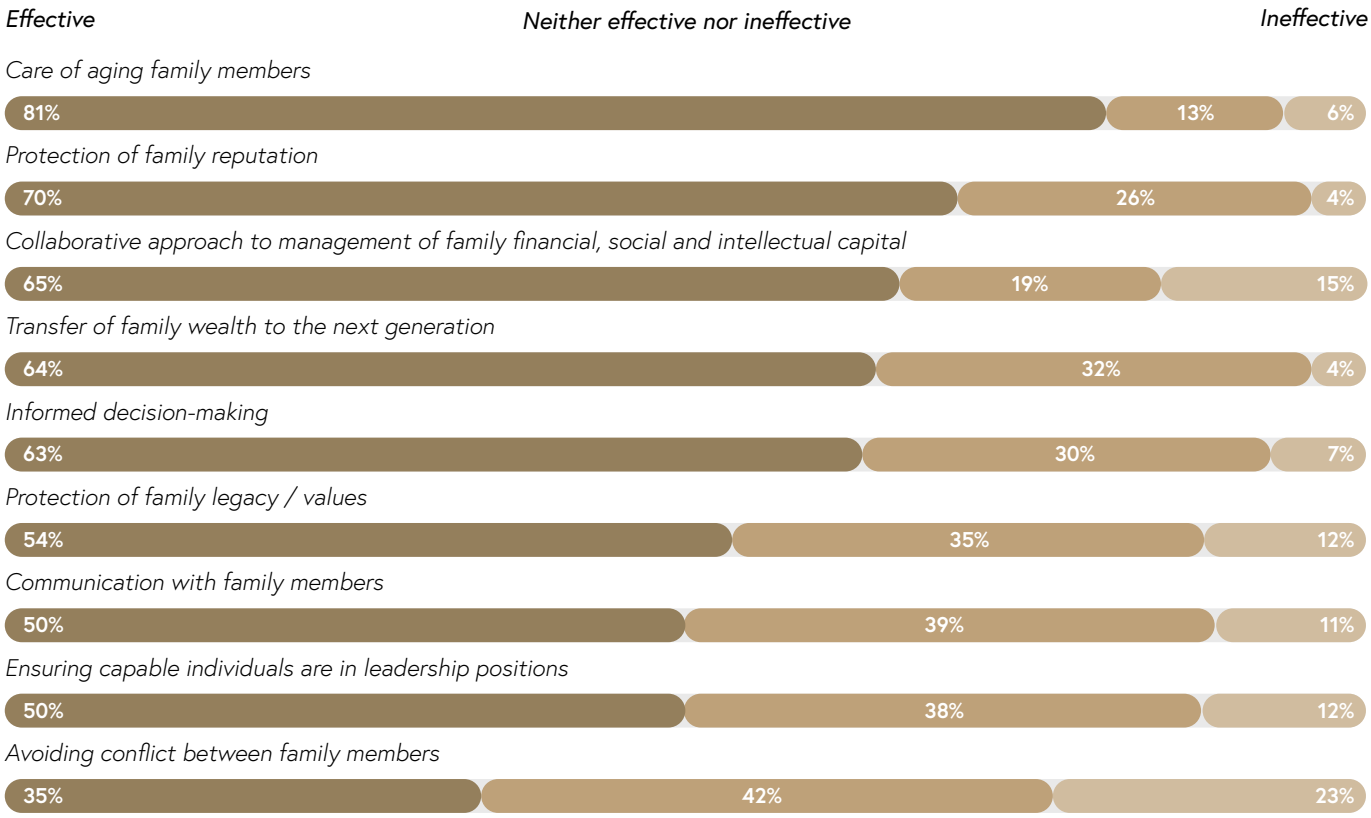
Figure 5.2: *Percentage of participants who view their family office as providing value for money*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

Aside from the performance of key functions, family offices need certain core competencies to fulfil longer-term strategic goals. In this regard, participants view their family office as effective at overseeing a variety of relationship issues, principally care of elderly family members (81 percent), protection of family reputation (70 percent), and collaborative management of financial, social, and intellectual capital (65 percent). But surprisingly, family offices are judged significantly less effective at communication with family members (50 percent) and avoiding conflicts between them (35 percent) (**Fig 5.3**). Possibly, this general observation will encourage some family offices to re-think their modes of interaction with their families.

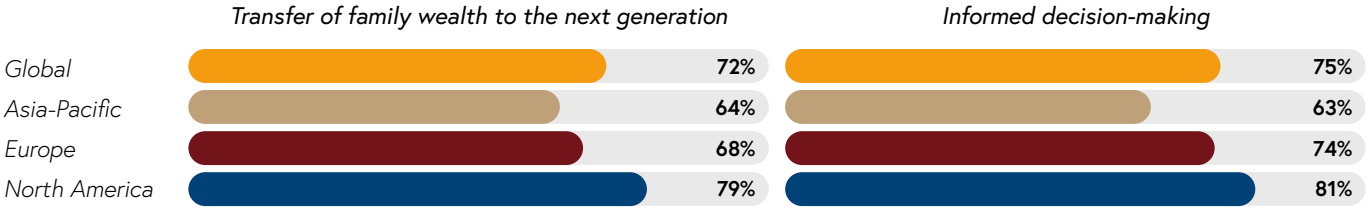
Figure 5.3: *Percentage of participants indicating effective core competence*



Note: Figures may not sum to 100% due to rounding
Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

The perceived effectiveness of family offices at their core functions of transferring wealth to the next generation (64 percent) and making informed decisions (63 percent) could be higher (**Fig 5.4**).

Figure 5.4: *Percentage of participants who view their family office as providing value for money*



Source: Campden Wealth / BNP Paribas Wealth Management, The Asia-Pacific Family Office Report, 2024

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About family offices

What is a family office?

A family office is, in its simplest form, the private office for a family of significant wealth. The number of staff working in the office can vary from one or two employees to 100 or more staff, depending on the type and number of services it provides.

The purpose of an office can range from handling key family assets and core holdings (tax and accountancy, property and estate management) to include more sophisticated wealth management structures, while often providing family members with educational, professional and lifestyle services.

Generally, family offices manage key areas of family assets, including real estate holdings and direct or indirect investments, tax consolidation and estate management.

They can serve as the central hub for a family's legacy, governance and succession. They can furthermore support the education and development of family members, facilitate family governance, coordinate communication and resolve issues within the family enterprise. A typical family office:

- Affords structure to the management of family wealth, establishing increased control and oversight of the family wealth strategy and costs of managing investments;
- Consolidates tax, accountancy and wealth management reporting execution under one roof;
- Provides a clearly-articulated, efficient governance framework for investment decision-making, as well as family legacy and succession functions (including philanthropic foundations and initiatives);
- Coordinates with service providers, achieving economies of scale (especially in the case of multi-family offices) and preferential deal access and products;
- Ensures confidentiality and privacy for family members, liberating them from the burden of wealth.

Who would benefit from using a family office?

Families with private wealth in excess of US $150 million are ideal candidates for establishing a single family office structure. While it is not uncommon for first-generation entrepreneurs to establish a family office, these offices often support families with greater complexity in terms of households and generations. This is a key characteristic of family office structures and one that offices must account for when designing and executing investment strategies and family governance plans.

While each household will share some similar needs, from the perspective of the family office, each household merits special consideration. Such consideration cannot always be restricted to typical generational needs (i.e. retirees require income, while younger family members can accommodate more risk and longer horizons), because households themselves have differing liquidity requirements (for example, sibling benefactors may hold quite distinct professional ambitions).

Multiple wealthy families which might not necessarily be related to each other but nonetheless share some common values or goals may opt to consolidate and leverage resources by creating a multi-family office, rather than a single family office to manage the family wealth. Such a structure provides the benefit of economies of scale and investment deal opportunities that formal collaboration and a consolidated management structure afford. Naturally, family complexity factors arise for the multi-family office, only on another level of magnitude.

Here things can get quite messy. As such, traditionally, for a multi-family office to be successful and sustainable, families should share a common purpose, interest and risk appetite or, alternatively, comparable levels of wealth.

Traditionally for multi-family offices to be sustainable over the medium to long-term, they must manage cumulative assets of more than US $3.5 billion. For the sake of clarity, a number of terms with specific meaning in this report are defined below:

Private multi-family office: These will all have had a founding family before widening out their offering to multiple families. These offices are owned by families and operated for their benefit.

Commercial multi-family office: These will look after the interests of multiple families, often with wealth of less than US $150 million. Unlike private multi-family offices, they are owned by commercial third parties.

About the creators

About Campden Wealth

Campden Wealth is a family-owned, global membership organisation providing education, research, and networking opportunities to families of significant wealth, supporting their critical decisions, helping to achieve enduring success for their enterprises, family offices and safeguarding their family legacy.

The Campden Club is a private, qualified, invitation-only members' club. Representing 1,400 multi-generational business owning families, family offices and private investors across 43 countries, the Club delivers peer networking, bespoke connections, shared knowledge and best practices. Campden Club members also enjoy privileged access to generational education programmes held in collaboration with leading global universities.

Campden Research supplies market insight on key sector issues for its client community and their advisers and suppliers. Through in-depth studies and comprehensive methodologies, Campden Research provides unique proprietary data and analysis based on primary sources.

Campden Education delivers a virtual training platform empowering families with practical knowledge and the tools to make informed decisions. Drawing on deep expertise and real-world experiences, our programmes are designed to guide the whole family through all stages of ownership and growth.

Campden Wealth owns the Institute for Private Investors (IPI), the pre-eminent membership network for private investors in the United States founded in 1991. In 2015 Campden Wealth further enhanced its international reach with the establishment of Campden Family Connect PVT. Ltd., a joint venture with the Patni family in Mumbai.

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About BNP Paribas Wealth Management

BNP Paribas Wealth Management is a leading global private bank and the largest private bank in the Eurozone with more than €469 billion worth of assets under management as of 31 March 2025. Present in three hubs in Europe, Asia and the Middle East, it employs over 6,700 professionals who support High-Net-Worth and Ultra-High-Net-Worth individuals in protecting, growing and passing on their assets. The bank aims at building a sustainable future by combining its deep expertise and reach with its clients' influence and desire for impact.

https://wealthmanagement.bnpparibas/asia/en.html

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