



FINTRX
INDUSTRY BRIEFING SERIES

PART THREE

Family Office Professionals

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INTRODUCTION

Dear Reader,

It's my pleasure to present the third and final edition of our Family Office Industry Briefing Series in partnership with Charles Schwab. As with both Part I & II of our Briefing Series, the information to follow has been derived in its entirety by the FINTRX research team utilizing a bottom up methodology.

Through several sources including public sources, proprietary research, industry discussions, strategic relationships, among others. The data has been harvested and analyzed, resulting in the world's largest family office data set. Using a cross section of this complete data set to provide what we believe to be the most accurate representation of the global family office market, we are pleased to provide the following commentary on the professionals comprising the family office landscape.

I would like to thank Jill Matesic and the entire Charles Schwab team for their dedicated assistance throughout the production of this report.

Thank you,

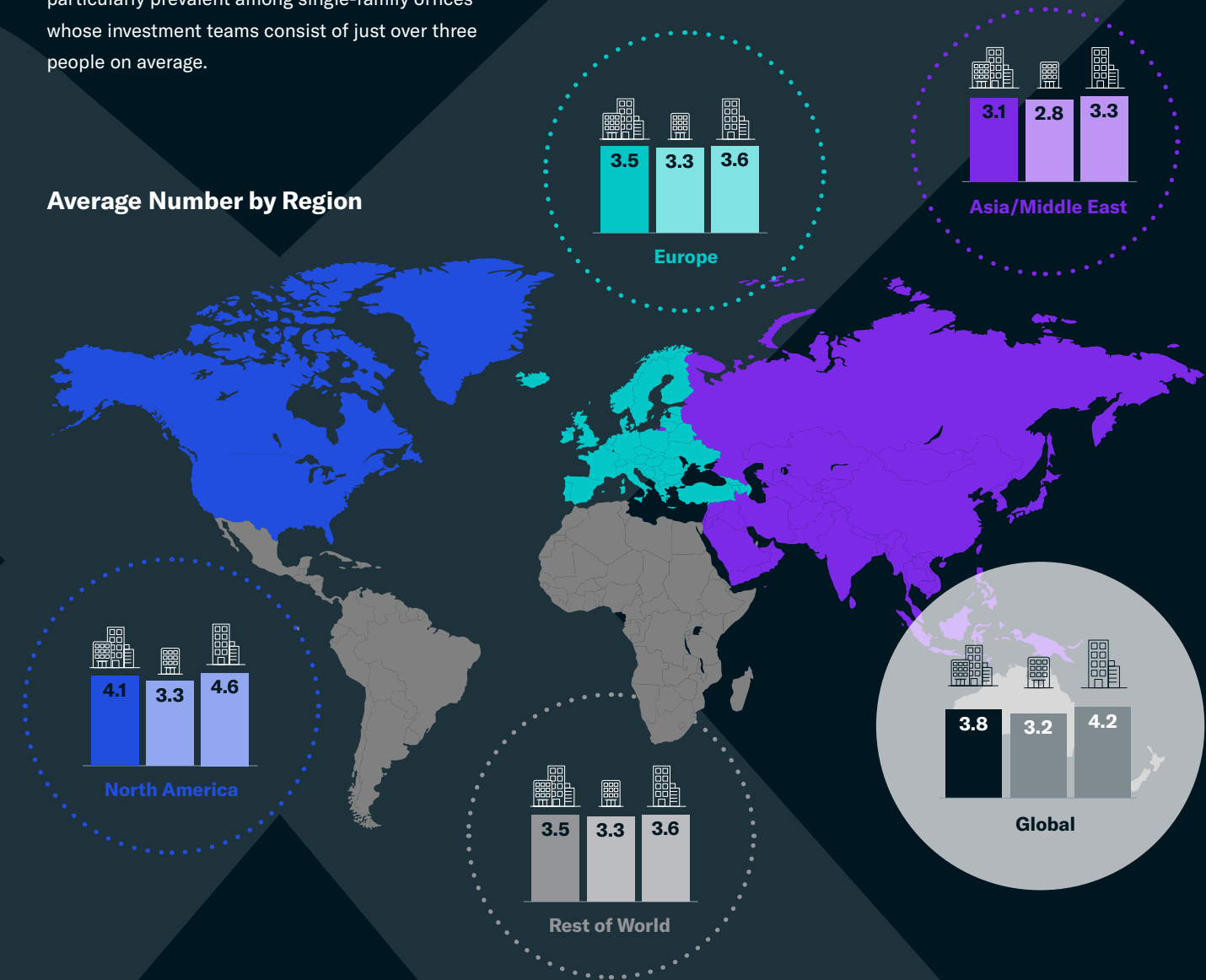
Dennis Caulfield
Vice President of Research



FAMILY OFFICE INVESTMENT PROFESSIONALS

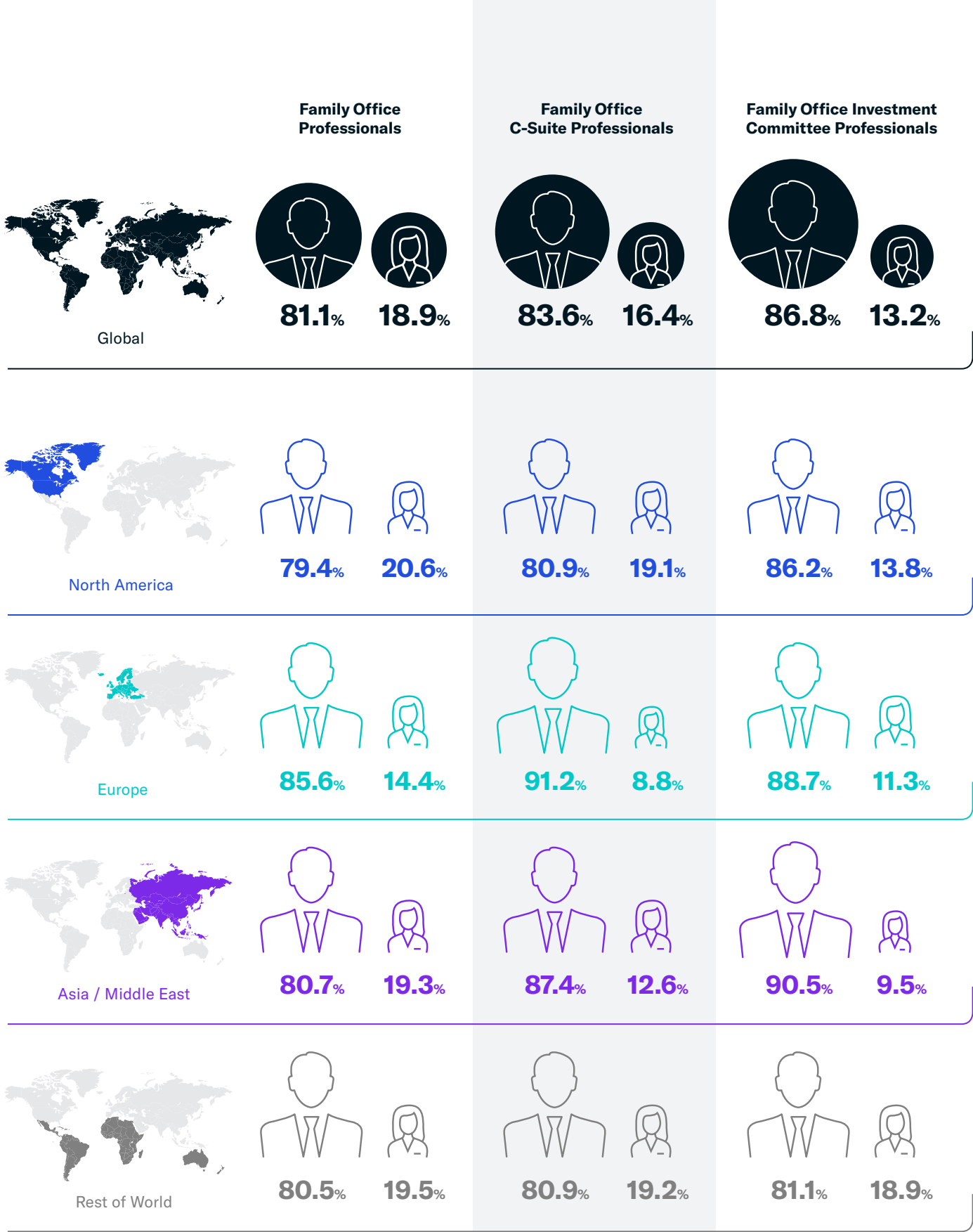
Throughout the globe family offices vary in size, both with regard to assets under management as well as number of employees. As expected, the average number of investment decision making professionals per family offices is greater within multi-family offices compared to their single-family office counterparts. While the majority of the world's family offices employ a similar number of investment professionals, Asian and the Middle Eastern family offices tend to operate with smaller teams. This is particularly prevalent among single-family offices whose investment teams consist of just over three people on average.

Average Number by Region



All
 SFO
 MFO

GENDER BREAKDOWN



AVERAGE AGE



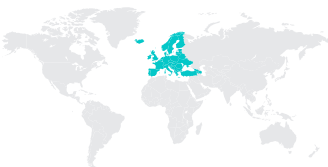
Global

42



North America

45



Europe

41



Asia / Middle East

42



Rest of World

40

Age Breakdown of Family Office Professionals

47

C-Suite

45

Investment Committee

37

Non-investment Committee,
Non C-Suite

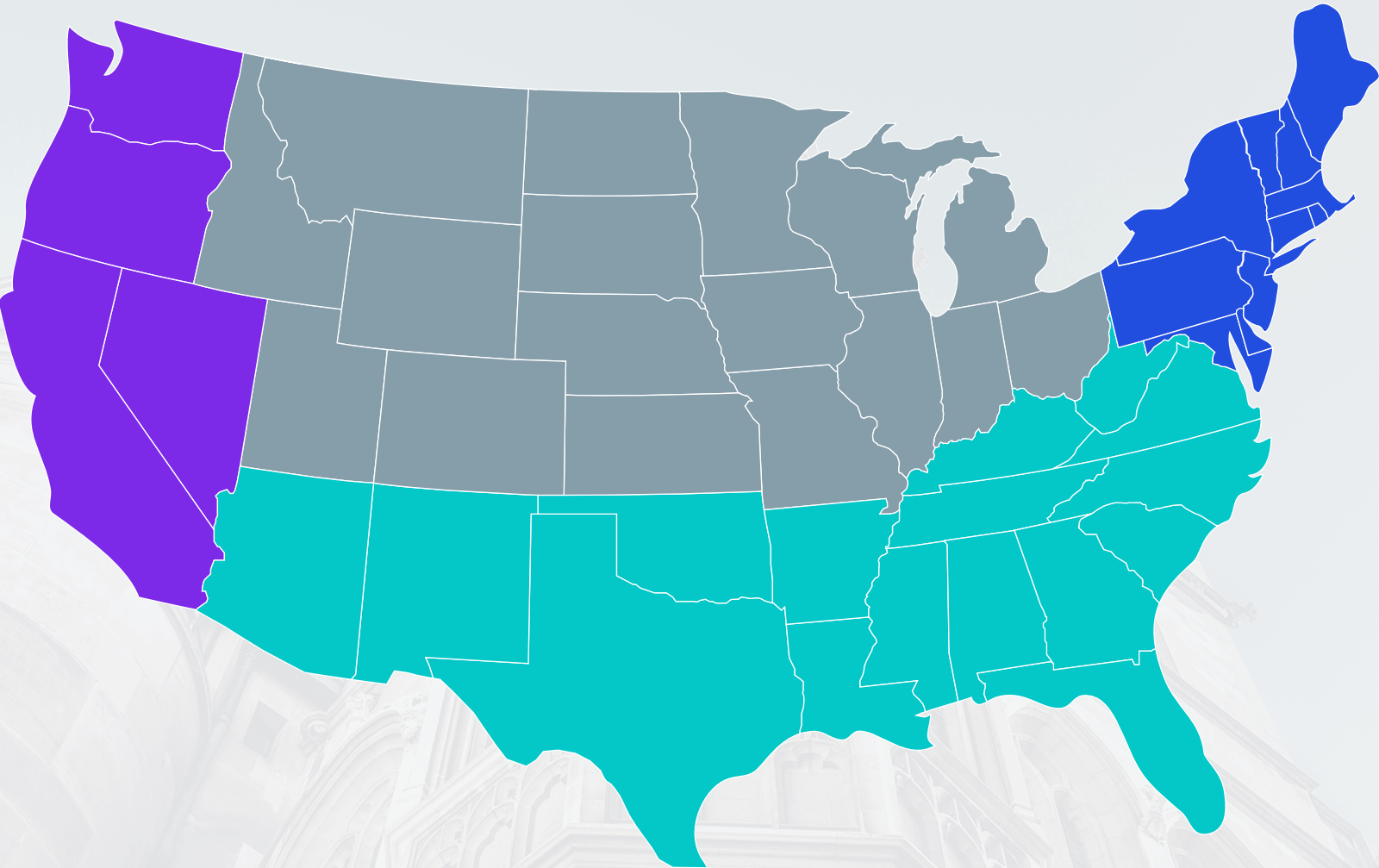


TOP EDUCATIONAL INSTITUTIONS

Top Universities Globally



Via historical tracking, the FINTRX research team has identified the top educational institutions feeding the family office space. The Ivy League Universities, Harvard, University of Pennsylvania and Colombia make up the top three institutions of family office professionals. Interestingly, there is a strong correlation between the location of the family office and the schools from which their talent has matriculated. When examining the region in which family offices are domiciled, the most commonly attended University is consistently located within that region. Furthermore, Harvard University is the only higher-education institution that appears on the top ten list for all regions.



By USA Region

West Coast Family Offices

- Stanford University
- University of California Berkley
- University of California Los Angeles
- Harvard
- University of Pennsylvania
- University of Washington
- Columbia University
- University of Chicago
- University of California Irvine
- New York University

Mid West Family Offices

- Northwestern
- University of Chicago
- University of Illinois
- University of Michigan
- University of Colorado Boulder
- University of Wisconsin
- Harvard
- Notre Dame
- Ohio State
- University of Minnesota

Southern Family Offices

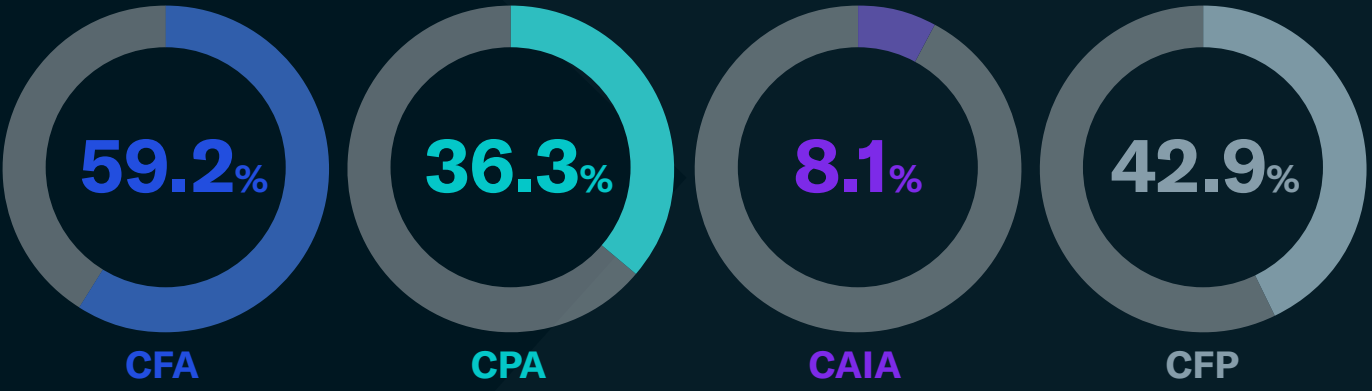
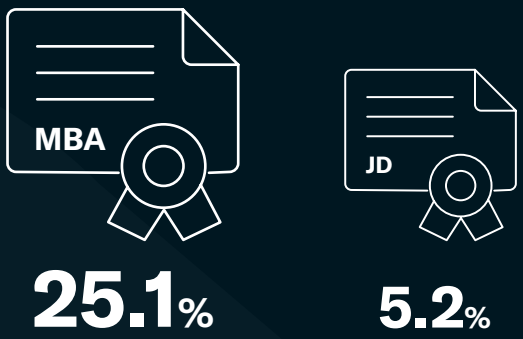
- University of Texas
- Southern Methodist University
- Harvard
- Texas A&M
- University of Pennsylvania
- University of Florida
- Stanford University
- University of Georgia
- Texas Technical
- University of Miami
- New York University

Northeast Family Offices

- Harvard
- New York University
- University of Pennsylvania
- Columbia
- Boston University
- Boston College
- Yale
- University of Michigan
- Dartmouth
- Brown

ADVANCED DEGREES

Family office professionals operating within the investment arm of their respective firms frequently possess advanced certifications. The most common being the CFA followed by the CFP. With regard to further education nearly a quarter of investment professionals across the family office landscape have obtained their MBA from an accredited business school.

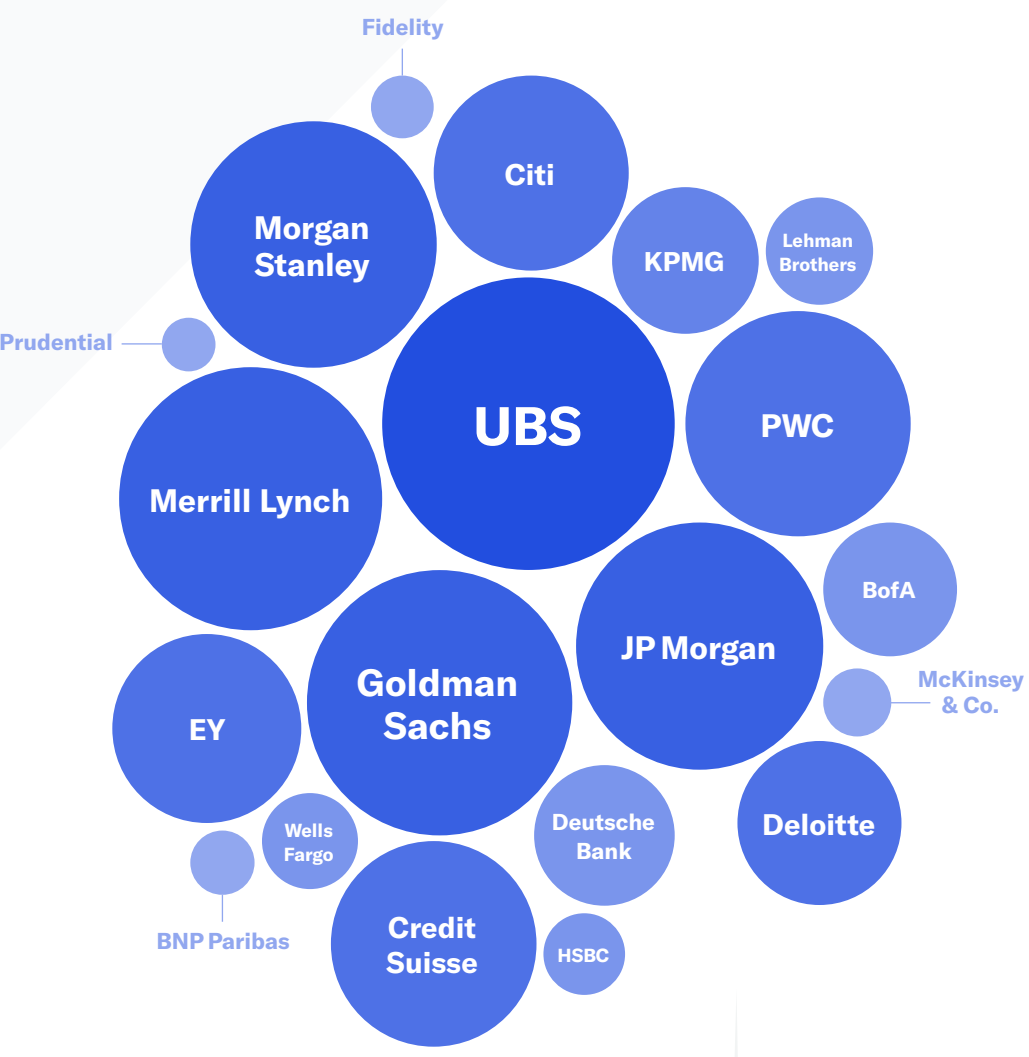


TOP PREVIOUS EMPLOYERS

Top 10

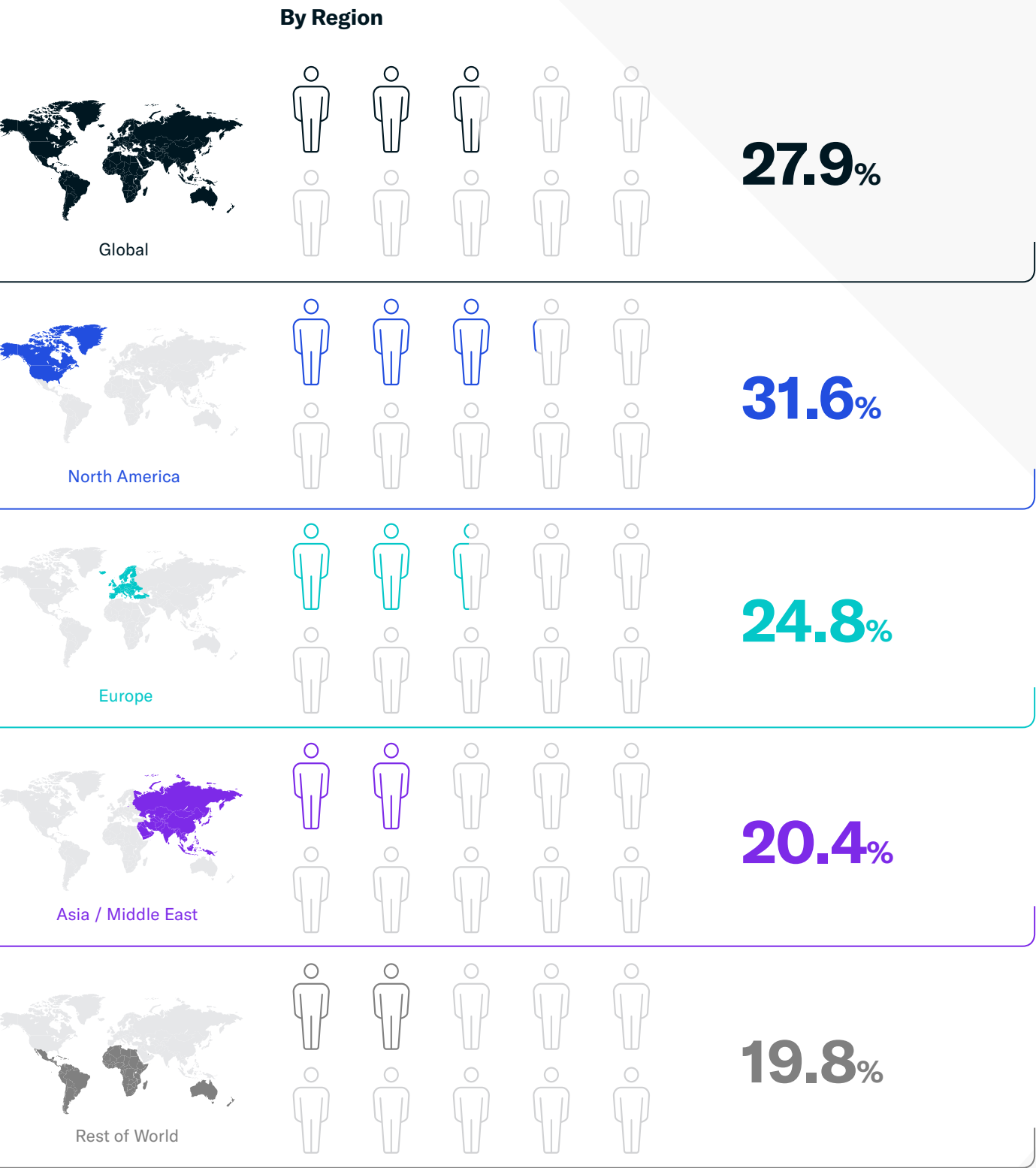


Top 20 Complete List



Historically, Family Offices have attracted some of the most experienced and successful professionals across the financial and private wealth landscape. Over the past decade, these entities have increasingly pursued industry leaders to assist in their investment research and execution. As the family office market has greatly expanded, so too has the complexity of their investment activities. With the understanding that hiring top industry professionals opens a number of doors with regard to investment opportunities, family offices continue to attract the highest industry talent. Following the events of 2008, these private entities have placed greater value on ensuring their assets are managed by highly qualified investment managers. Further contributing to this trend is the understanding that by internalizing investment processes, these family offices can often avoid high fees and more directly access opportunities of interest.

EXTERNAL BOARD SEATS



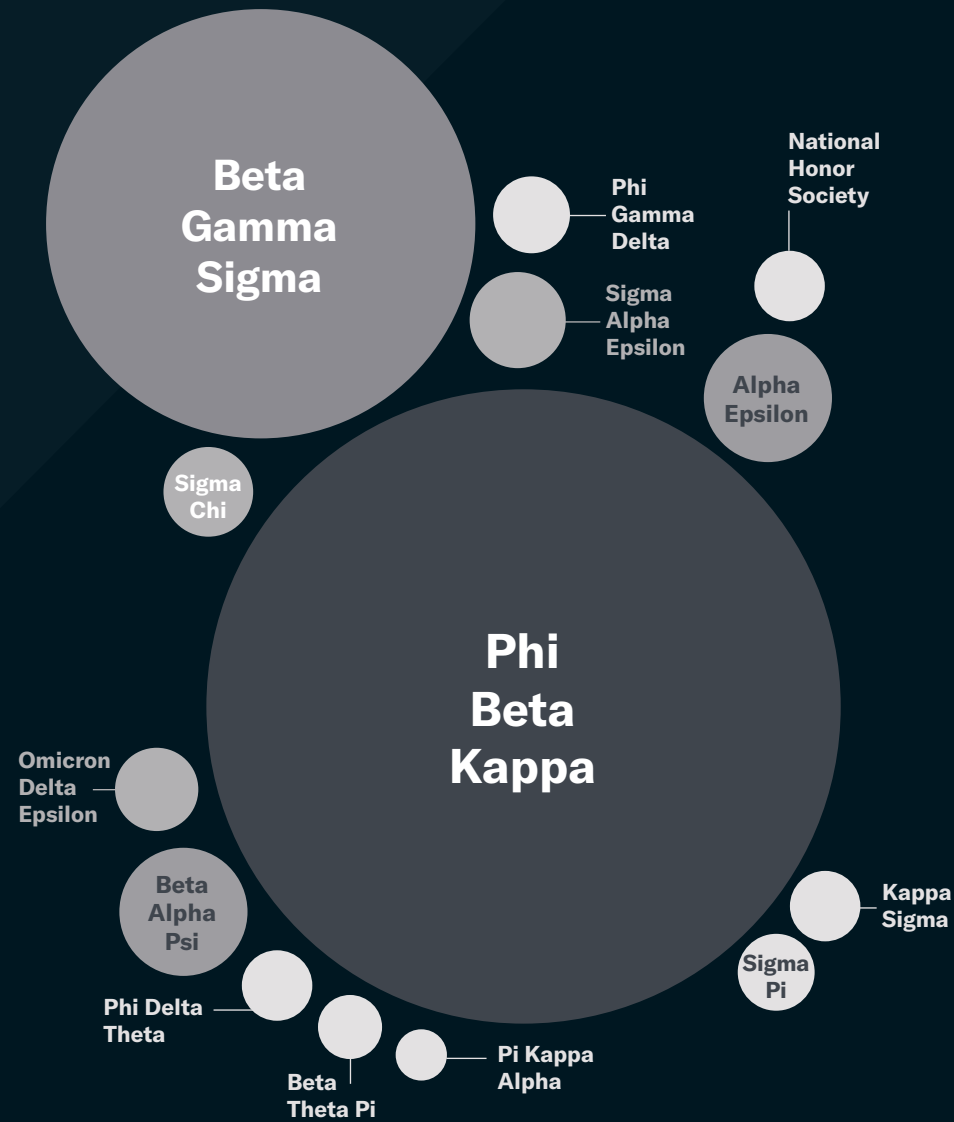
HOBBIES & INTERESTS



SOCIETAL AFFILIATIONS

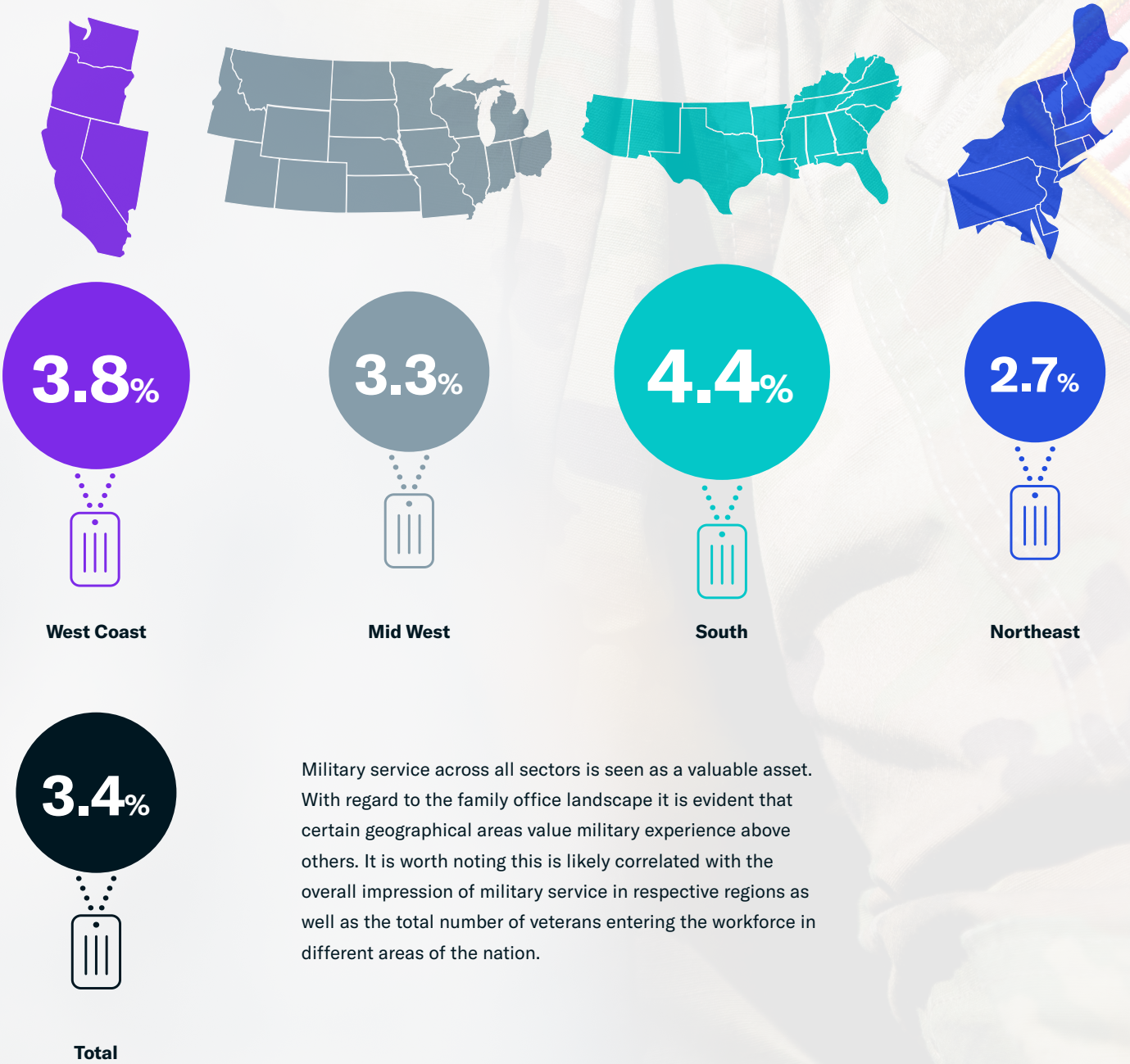
Top Societal Affiliations

- Phi Beta Kappa
- Beta Gamma Sigma
- Alpha Epsilon
- Beta Alpha Psi
- Sigma Alpha Epsilon
- Sigma Chi
- Omicron Delta Epsilon
- Phi Gamma Delta
- Sigma Pi
- National Honor Society



MILITARY VETERANS

By Region

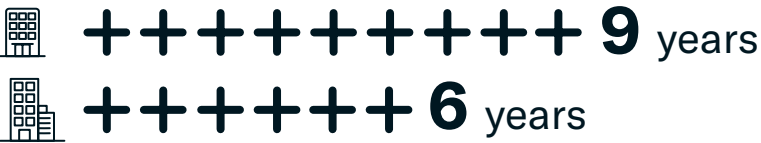


Military service across all sectors is seen as a valuable asset. With regard to the family office landscape it is evident that certain geographical areas value military experience above others. It is worth noting this is likely correlated with the overall impression of military service in respective regions as well as the total number of veterans entering the workforce in different areas of the nation.

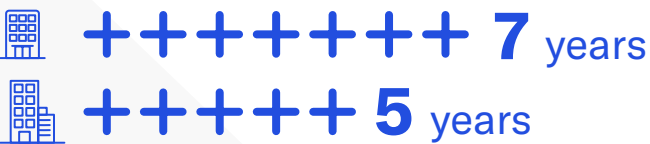
AVERAGE TENURE

The average tenure of family office professionals varies greatly depending on region. Interestingly, the highest retention rate of family office talent is found among European-based single family offices. This is likely correlated to the number of family members that enter the family business which is outsized in the region. Furthermore, there is a clear trend of single family offices retaining talent for longer periods of time compared to their multi family office counterparts. It is worth noting that multi family offices generally hire more mid and entry-level financial professionals compared to single family offices, who tend to employ fewer employees in total, but those with more experience. Interestingly, tenure across North American family offices is several years less than that of Europe and Asia/Middle East. This is likely due in-part to the overall culture of American employees who are less hesitant to move from company to company. Additionally, the heavy and outsized push in recent years, on the part of family offices, to bring on new talent certainly contributed to these statistics. It is likely that the average tenure of family office professionals in the coming years will continue to rise, as these positions are more coveted than in years past.

Global



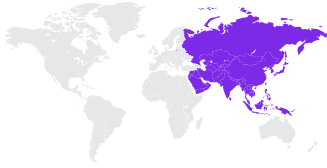
North America



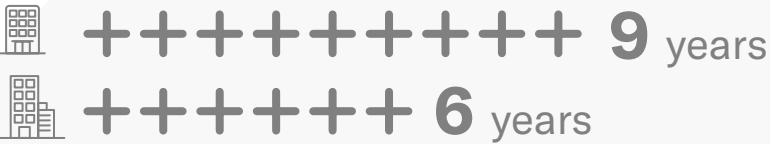
Europe



Asia / Middle East



Rest of World



AN INTERVIEW WITH JILL MATESIC

An evolving approach to finding great talent

With Jill Matesic, Family Office Strategist at Schwab Advisor Family Office

Q: Could you tell us a little bit about yourself and your family office experience?

A: I have had the pleasure to work with ultra-high-net-worth (UHNW) clients in various capacities for the last 20 years. After working at McKinsey & Company and completing business school, I spent a decade at Goldman Sachs building up a business of UHNW clients. I then went to work directly for a family who had recently sold their multigenerational family-owned business.

Over the next five years, I helped the family with a wide range of priorities, including managing investments and evaluating their portfolio of businesses. That's when I grew my network in the family office community and realized the value of the independent advisory model. Ultimately, I decided to broaden my reach and help other advisors evolve their practices, which led me to join Schwab. We are having great success growing our family office business, addressing the important issues our clients face. One such issue is talent—how to hire and retain the best professionals.



Jill Matesic
Family Office Strategist at Schwab Advisor Family Office

Q: How are the talent needs of family offices unique?

A: The talent demands of the UHNW client are extremely complex. Advisors need a combination of high-level professional expertise and the emotional intelligence to navigate family relationships.

Single-family offices (SFOs) face a significant challenge attracting, retaining, and compensating the right talent for their particular situation. SFOs often need generalists who also have deep skills suited to the family's philosophy, the origin of their wealth, and their level of liquidity. The candidates for these roles must be trusted to maintain a high level of confidentiality of the families. But as small organizations, SFOs can struggle to offer a clear career trajectory. Hiring can get very expensive. This helps explain why SFOs often bypass hiring and instead outsource specific tasks to multi-family offices (MFOs).

The hiring challenge for MFOs is competition with other family offices, Registered Investment Advisors, and the large financial services companies. As the MFO segment grows and requires more specialized talent, competition intensifies for the limited number of candidates who have experience serving UHNW families.

Q: How is the next generation of UHNW families shaping talent demands in the industry?

A: We often see the next generation of a family replace their investment advisor almost immediately upon taking control of the family's assets. That's usually a moment of peril for the incumbent advisor. The risk is even more pronounced now with younger generations who tend to have significantly different expectations and goals than their parents.

The next generation, by and large, places less value on in-person reviews of lengthy decks and performance reports. Instead, they expect to be able to quickly handle most issues with modern digital tools. This increases advisors' technology needs and potentially upends their standard ways of showing value. The next generation also tends to be more purpose driven — wanting their investments to provide a sense of meaning as much or more than to earn a profit. So, firms are focusing more on ESG, impact investing, and philanthropy. They're also adding family dynamics specialists, life coaches, and other professionals who can engage clients more holistically. These new roles require a different approach to hiring.

Finally, the next generation values organizations that understand and feel in step with the modern, diverse world. They expect to work with more women and a more diverse group of individuals from all backgrounds and cultures. Embracing a more inclusive workplace is more than just the right thing to do—it's essential to future business.

Q: What are family offices doing to recruit diverse, next-generation talent?

A: By broadening where they look for talent, leading firms are addressing the generational shift, diversity issues, and competitive hiring market. They are bringing in people with different backgrounds, beyond just investment management. This includes estate and tax planning, risk management, technology, operations, business development, psychology, and relationship management.

Q: How does Schwab help family offices navigate these issues?

A: Because we serve an elite group of family offices, we can act as a centralized resource for talent strategy and tactics. We are on calls every week with families forming SFOs and advisors looking to grow their MFO business, helping them think through the solutions and talent that make sense for their vision. We connect firms with specialty providers who can support their evolution, and we use our network to help firms navigate their talent search. We introduce them to candidates, recruiters, and other advisors who've just completed a similar search but aren't competing in the same talent pool. We take a custom, curated approach so firms don't have to handle these complex issues on their own.

Even more broadly, Schwab is expanding the awareness of the family office and independent advisory industry as a whole to deepen the talent pool and broaden opportunity for all.

Learn more about Schwab's exclusive offer for family office professionals. Call 877-687-4085 to talk with a Schwab representative.

About Schwab Advisor Family Office

With more than three decades of serving ultra-wealthy families and investment advisors, Schwab Advisor Services™ has the deep experience and extensive resources needed for today's single- and multi-family offices. As an industry leader, we combine experts who deliver high-touch service with modern technology. It's why **319 single- and multi-family offices** custody with Schwab and why we are entrusted with **\$512 billion** in UHNW household assets.

Our mission at Schwab Advisor Family Office is to be the most trusted partner to investment advisors and family office professionals serving the ultra-wealthy community. Our dedicated team of experts is highly specialized in providing what is most critical to the modern family office. We offer subject matter expertise, curated thought leadership, and bespoke events to fuel the success and ensure the sustainability of the family office firms we serve.



Advisor Services

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Independent investment advisors are not owned by, affiliated with, or supervised by Schwab.

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ABOUT FINTRX

Launched in early 2014, FINTRX is the preeminent Family Office data and research solution.

Our platform combines over half a million data points on 13,000+ Family Office professionals spanning more than 3,000 unique Family Offices globally. Built with the asset raising professional in mind, FINTRX features state-of-the-art data exploration and visualization tools, engineered to provide the most efficient and effective means of targeting Family Offices and the private wealth ecosystem.

Today, FINTRX serves hundreds of clients globally via our cloud-based platform. FINTRX provides detailed insight into each Family Office - including background, contact information, origin of wealth, investment interest, direct transaction history, AUM and more. It is continuously updated, guaranteeing you have the most comprehensive and accurate data at your fingertips.





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