



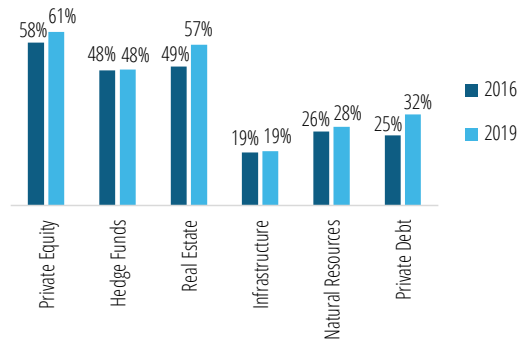
HOW ARE FAMILY OFFICES INVESTING?

Family offices are prominent investors in alternative assets, and Preqin tracks over 1,000 family offices with active investment mandates. The majority of investors target private equity (61%) or real estate (57%, Fig. 1), reflecting wider industry trends across private capital and mirroring family offices' activity in 2016. Family offices' interest in alternative investments is growing, and the proportion of investors allocating to real estate has increased by eight percentage points from 2016 to 2019.

Family offices have fewer restrictions and more flexibility than other investor types, and therefore have the capacity to deploy larger proportions of their total assets to asset classes higher up the risk/return spectrum. Family offices' median current allocations are highest in private equity (19.0%) and hedge funds (17.5%, Fig. 2).

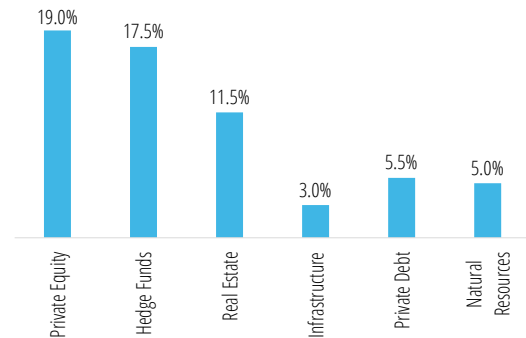
Looking ahead to the next 12 months, family offices active in real estate are primarily targeting investment in high-risk/high-return opportunistic and value added strategies, as seen in Fig. 4.

Fig. 1: Proportion of Family Offices Targeting Each Asset Class, 2016 vs. 2019



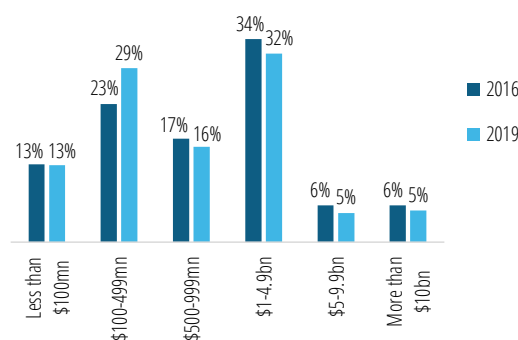
Source: Preqin Pro

Fig. 2: Family Offices' Median Current Allocation (As % of Total AUM) to Each Asset Class



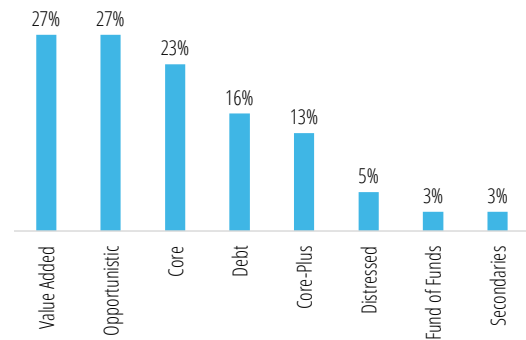
Source: Preqin Pro. Data as of April 2019

Fig. 3: Family Offices by Assets under Management, 2016 vs. 2019



Source: Preqin Pro. Data as of April 2019

Fig. 4: Real Estate Strategies Targeted by Family Offices in the Next 12 Months



Source: Preqin Pro