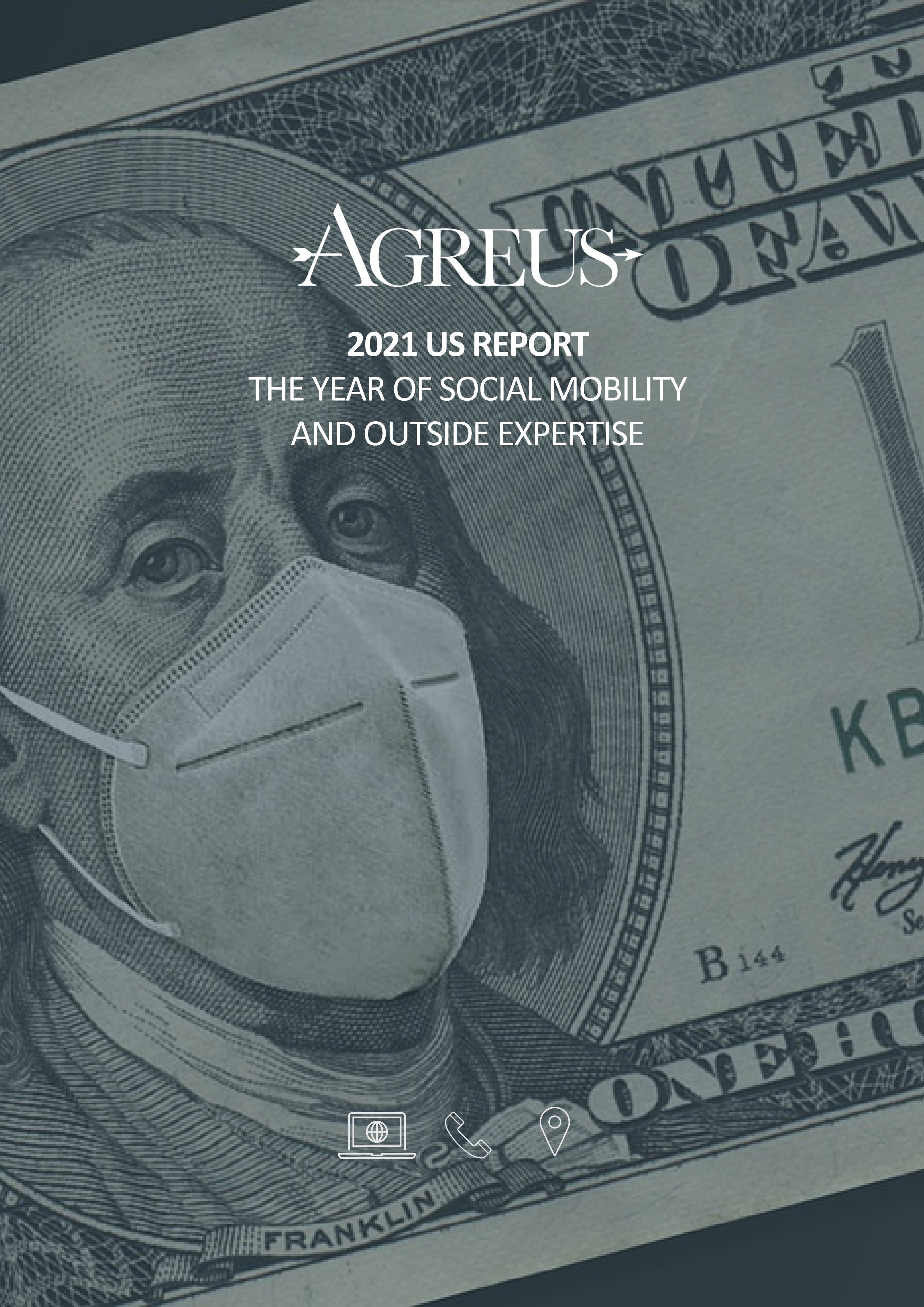
AGREUS

2021 US REPORT

THE YEAR OF SOCIAL MOBILITY AND OUTSIDE EXPERTISE



> “ *Family Offices need to seriously consider their longer-term multi-generational goals in 2021 rather than rushing through wealth transfers or avoiding succession planning all together.*

CONTENTS

METHODOLOGY

The insights presented in this report were collated via survey which was distributed to our network of more than 10,000 Family Office professionals in the United States of America. All survey respondents are Family Office Executives which includes Principals and C-Suite Leaders as well as other Family Office Management.

INTRODUCTION

by Agreus Founders Tayyab Mohamed and Paul Westall

It may have only been four weeks since we optimistically welcomed in 2021 but those four weeks have already made history.

With restrictions and riots, a divided government and debt, immunity and impeachment – 2021 is already shining a light on the social-political, environmental and economic worries felt by most Americans. Family Offices are far from immune.

Professionalised Family Offices overwhelmingly bounced back from the first wave of the coronavirus pandemic. In fact, in April, we reported a six-week pause in Family Office recruitment and by summer, hiring activity had exceeded pre-lockdown levels.

With 80% of our clients continuing to interview, screen and on-board resources via video conferencing, the Family Office space is proving resilient to the virus but that isn’t to say it comes without consequences.

Family Office Principals across America are waking up to the realisation that they are not immortal and so discussions around succession planning and intergenerational wealth transfer, that may well have been ignited by the Biden Administration, are continuing well into 2021. They are also exposing the unpreparedness of the next-generation.

Joe Biden is officially the 46th President of the United States of America and while being overwhelmingly welcomed in by Family Offices, between proposed changes to taxation policy and calls to make the ultra-wealthy fund the vaccine, the Biden Administration has already influenced the investment decisions of Family Offices.

While not contributing to wholesale change as much of the media suggests, both the Presidency and the pandemic are continuing to put life into perspective for many Family Offices and it has led us to believe that 2021 will be the year of social mobility and outside expertise.

63% of Leaders believe Biden will have a positive impact on Family Offices

87% of Family Office professionals are considering relocating for work

52% of Family Office Principals are focused on wealth transfers and succession planning in 2021

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1 INTERGENERATIONAL WEALTH TRANSFERS

More than half of Family Offices are considering Intergenerational Wealth Transfer in 2021 with a third citing Biden's taxation policy as the key conversation starter.

Biden has promised to increase federal income tax from 37% to a pre-Trump rate of 39.6%. He will also look to raise corporate tax from 21% to 28% and estate tax from 40% to 45%.

Perhaps most alarming for the wealthy, Biden's ambition to return estate tax to its 2009 threshold also means lowering the exemption amounts from $11.58 million for estate and gift taxes to $3.5 million for the estate tax and $1 million for the gift tax. A reversal of the current step-up in basis rule could also jeopardise future wealth transfers.

The rule currently allows owners of valuable, appreciated assets to retain ownership of the asset until they die while discounting any appreciation on tax since acquisition. The rule facilitates intergenerational wealth transfer without incurring Capital Gains Tax on the increase in value but like much, is set to change under Biden.

A divided government will likely delay the already bureaucratic process of passing legislation and when taken out of context, what seems like a punishment on the wealthy – or anyone over a $400,000 threshold for that matter – doesn not provide the biggest obstacle to Family Offices.

While taxation may have prompted the conversation around intergenerational wealth transfer, it is the Coronavirus Pandemic keeping it at the forefront of Principal's minds.

COVID-19 continues to teach us that no one, no matter their wealth, is immortal and the fear of unexpectedly leaving behind the family wealth will certainly keep the conversation alive much into 2021. In fact, the Financial Times reported that an astonishing $446BN is to be transferred over the next decade prompting fresh concerns over education and preparedness amongst the next generation.

According to our 2020 report on Intergenerational Leadership, 54% of Principals do not trust their next-gen leader, just 58% have a succession plan in place and the remaining 42% believe their children are not prepared for future succession.

Transferring wealth to unprepared next-generation leaders could provide a huge threat to Family Offices in 2021 who are rushing through decisions as a knee-jerk reaction to both impending legislation and ongoing health concerns.

We asked a Director of a Single-Family Office in New York to offer his take on Intergenerational Wealth Transfer. In this chapter, he discusses how the pandemic has accelerated succession planning and why genetics do not always come into the equation of next-generation leadership.

52%
of US Family Offices are considering intergenerational wealth transfer in 2021

61%
said this was triggered by proposed changes to taxation policy

6%
said it was Biden

6%
cited COVID-19 as the key factor

84%
of next-gen leaders sit on the board of their Family Office

42%
of Prinicpals believe their next-gen leaders are not prepared for succession

73%
of next-gen leaders care about making a social impact

54%
of Prinicpals do not trust their next-gen leader

67%
of next-gen leaders believe they are ready to take over the Family Office

51%
of Family Office CEOs are non-family members in the US

“ *Even in the most recession and pandemic-proof environment from which Family Offices often benefit, professionals in the space are approaching the market cautiously. And no one can deny that this period has been a wake-up call related to contingency planning and matters of succession. COVID-19 has ignited conversations around mortality and how Family Office leaders and Principals need to seriously consider succession planning and wealth transfers. Estate and gift taxes are part of the equation but the discussion is much broader and the pandemic has accelerated the need to have these kinds of conversations (early). Principals recognise that they cannot beat mortality and it is time to ensure that their heirs are both educated and well-prepared to lead, make prudent decisions and place strong advisors around them to preserve (and grow) wealth.*

Many of today’s next-gen children have been raised in an environment in which the ubiquitous presence of staff is quite normal and that comes with unintended consequences, including a lack of perspective and moral hazard in some cases. It does not necessarily make for the foundations of future stewardship, let alone leadership. When one’s upbringing or definition of success is not necessarily dependent upon a top education and a lucrative career, relative to say, an over-simplified description of the upper-middle-class, principals may be left with concerns about the custodians of their wealth. This can create all sorts of complications, especially when none of the children have an interest in the business or they do not concern themselves with the responsibility of holding the keys to the castle. With this in mind, we will start to see more non-Family Members take the position of leadership.

Culturally, the U.S. has long suffered from a certain blind optimism that anyone can grow up to be President. It’s idealism over pragmatism in a world of back-patting, participation awards and a lack of constructive consequences. Add a substantial layer of wealth to that equation and you could have the makings of disappointment (at best) or disaster (at worst). While the pandemic’s economic toll on Family Offices is probably fairly muted relative to its mainstream impact, Family Offices should consider this an opportunity to calibrate longer-term planning. As a result, I think 2021 will bring more considered, paced and even blended wealth transfer, a higher level of importance placed on education and leadership within the ranks of the succeeding generation and an openness to recruit outside of the family.

Director, Single Family Office
New York

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THE AGREUS OPINION

While the source of the conversation around intergenerational wealth transfer and succession planning is still up for discussion, two things are certain.

The first is that Family Offices need to seriously consider their longer-term multi-generational goals in 2021 rather than rushing through wealth transfers or avoiding succession planning all together.

Secondly, as our contributor has alluded to, while the next-generation of successors must be both educated and prepared, they are not always the right fit. Both culturally and academically.

We have seen this first hand with Family Offices approaching us to find their next-generation leader and it is becoming an increasingly popular talent solution across America.

More than half of US Family Offices are being led by non-Family Members today and this is set to rise as tomorrow’s leaders focus on philanthropy and purpose.

While tomorrow’s leaders may well be focused on other arenas, there are several contributing factors as to why Family Offices look to bring in their next-generation and can range from those without successors to those who are completely unqualified.

We recently spoke with a Founder in New York who will not relinquish control of his multi-million dollar bank to his children as they are both creatives and neither qualified nor interested in the financial nature of the organisation. We have also seen some decide to take the family out of the Family Office in a bid to keep them together, away from the complications of working relationships whereas some simply value the expertise of trained and educated outside professionals.

On top of these common factors sit a general mistrust of the next generation, a sentiment shared by more than half of US Principals and so naturally, we will see a huge increase in the number of external hires leading Family Offices in 2021 as the children of today’s Principals lead from the Board, focus on the Foundation side of the Family Office or shape a career outside of the family altogether.

TAYYAB MOHAMED
Co-Founder at Agreus Group
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51% of Family Office CEOs are non-family members in the USA

54% of Family Office Leaders mistrust their next generation

2 SOCIAL MOBILITY

87% of professionals who currently work for Family Offices in the USA are open to moving for work. Of these, 55% are thinking of relocating to another state and two-thirds cited local taxation policy as the contributing factor.

With more than a third of professionals now contemplating leaving their current environment, we anticipate a great deal of movement in 2021 with candidates and even Family Offices, moving inter-state for a more affordable lifestyle.

We believe this has stemmed from the ongoing coronavirus pandemic which has financially impacted professionals across the world and also put into perspective, not just our working environment but our quality of life.

More than half of professionals surveyed said they are more open to moving now than they were before the Coronavirus Pandemic with 20% stating they were no longer confined to a physical office or city and 12% wanting to create a better surrounding to self-isolate or work remotely.

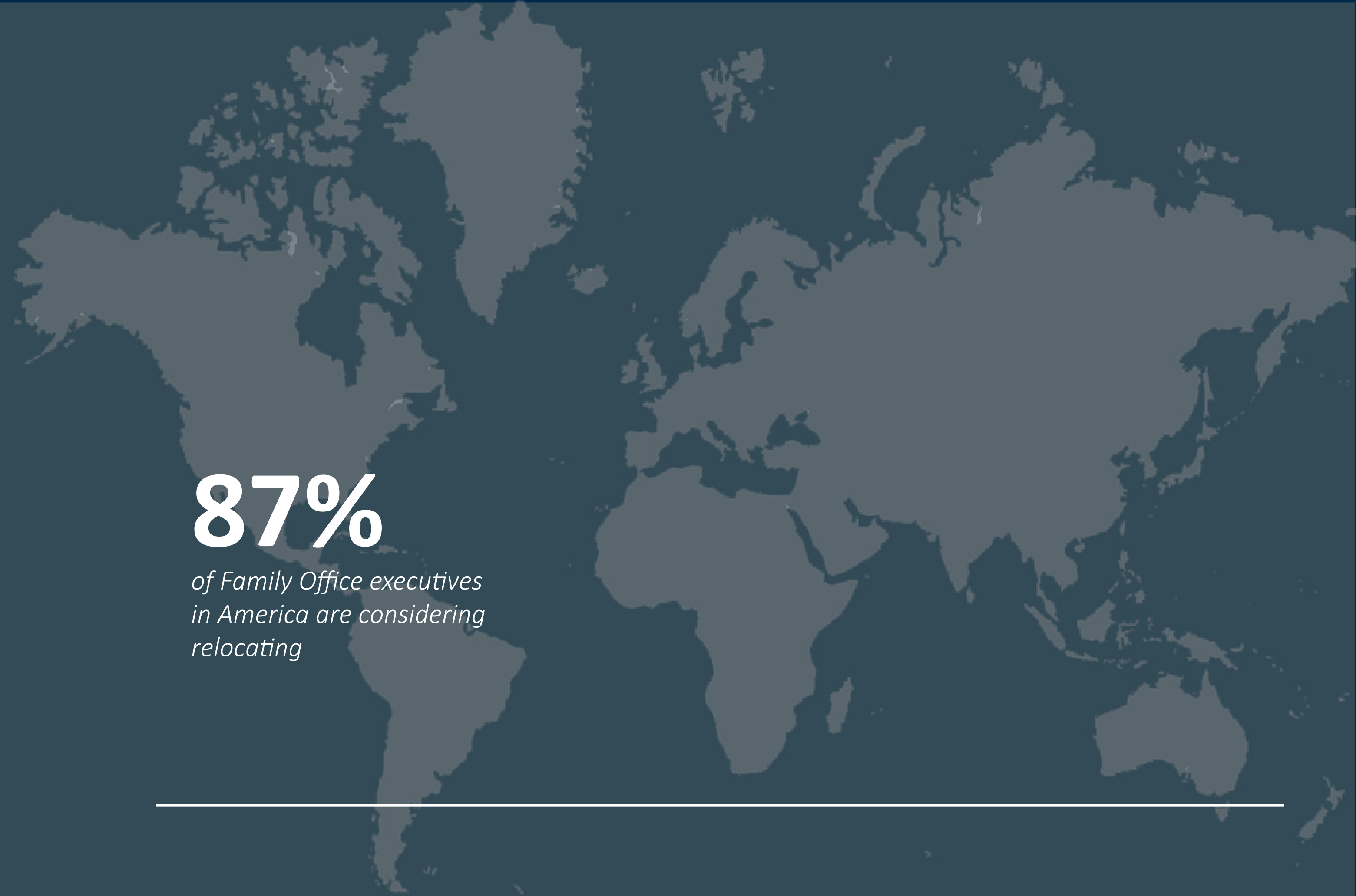
The biggest factor by far however, is the cost of living.

Over a third of Family Office professionals cited taxation and legislative policy as the key reason for considering a move and with 7 of 50 states in America not charging state income tax, it isn't hard to see why.

Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming all offer a 0% tax rate which is proving to be a huge attraction to Family Offices and their employees.

Here KPMG's Brad Sprong discusses the implications of differing taxation and explores why Nevada, Arizona and Florida are all on the Family Office agenda.

> *When you can move a mile and save thousands, it isn't hard to see why but with state taxes unchanged and 57% stating they are more open to moving now than pre-COVID-19, the virus is clearly having a greater impact on Family Offices than many would care to admit.*
>
> **KAY SHAH**
> Agreus Head of US Team



87%
of Family Office executives in America are considering relocating

55%
of which said they would move to another state in America

20%
said they were no longer confined to a physical office or city

57%
said they are more open to relocating now than before the coronavirus pandemic

12%
said they wanted to create a better surrounding to self-isolate or work remotely

36%
cited state taxation as the key factor in their openness to move

7
out of 50 American States allow residents to live tax-free

“ *While I do not believe that Biden’s proposed changes to taxation policy is driving any real change, there is a fear that the wealthy and almost-wealthy will be taxed and it almost feels punishment driven – we’ll tax you twice, once when you make it and then again because you have it. The Biden administration has also deemed anyone who earns $400,000 as wealthy. If you are a professional couple who lives on the coast, you might be making this but it doesn’t define you as rich. Living costs should play a part in the decision and the fact they have not and the proven ability for many of us to work from home, will likely drive social mobility in 2021.*

California has up to a 13.3% state income tax rate, neighbouring state Nevada has a 0% state income tax rate. You can move a short distance and save a lot of money. You can’t however see the ocean from Nevada! We are now seeing a lot of people relocating to lower taxing states. However, it is easy to forget how big a deal moving actually is, both physically and emotionally. People have homes, families, children, favourite places, etc. It isn’t an overnight process but we are seeing numerous wealthier folks move from the higher to lower income tax states and it creates its own concerns over revenue within the local economy.

We have recently seen some quite high-profile individuals move and it results in a significant loss of income for particular states, I expect this will continue as a focal point in 2021, especially for those retiring and not wanting to lose a large percentage of their retirement income to state income taxes. Nevada, Arizona and Florida are just a few of the states seeing an increase in population and I expect it will continue.

In 2021 Family Offices will continue to approach both investments and structural changes with prudent caution, forecast for as much of the future as they can and really find the best setting that offers the highest quality of life both environmentally and economically.

Brad Sprong
KPMG, Taxation Partner

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THE AGREUS OPINION

“ *Remote working is here to stay and Family Offices are benefiting from online and outside expertise.*

KAY SHAH
Head of USA Team at Agreus Group
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Having spent the last few years of my career working within an UHNW family in Uganda, recruiting for several more in the UK and most recently, across America, I know a thing or two about Social Mobility and the freedom and flexibility it offers.

For me it was a personal choice driven by the excitement of travel but the sheer amount of Americans now looking to social mobility is driven less by personal choices and more from rising concerns over local economies and state taxes.

When you can move a mile and save thousands, it isn’t hard to see why but with state taxes unchanged and 57% stating they are more open to moving now than pre-COVID 19, the virus is clearly having a greater impact on Family Offices than many would care to admit.

87% of Family Office professionals surveyed said they were open to a move. That is more than eight in every 10 people and with just 20% of Family Offices employing 10 or more, you can only imagine the amount of Family Offices that will be impacted or, perhaps advanced by social mobility in 2021.

Naturally, when I help Family Office executives move across America, it is more often than not due to them joining a new Family Office but as the world turns virtual and remote working becomes commonplace, Family Offices could benefit from a newly global or at least national talent pool.

More and more Family Offices are offering remote working as a benefit of the role in a bid to attract a wider selection of candidates and just this month we matched a Canadian candidate with a New York based Family Office. While we all anticipate the day when we can return to person to person contact, I can’t imagine remote working ever becoming a buzzword only lived in Silicon Valley. Remote working is here to stay and Family Offices are benefiting from online and outside expertise.

Remote working aside, candidates across America are, much like the rest of the world, spending more time at home and benefiting from the flexibility to relocate for a better working environment. Whether it is the ability to walk along the coast on a lunch break or save 13% on state income taxes, candidates are realising there is more to life than working a commutable distance away from the City and just recently I supported a Chief Financial Officer with this exact move.

A Single Family Office reached out in their quest to find a CFO to lead their financial operations in Orange County and I quite quickly found the perfect candidate based in Ohio. With surf beaches on every corner and a doubled salary, it wasn’t a difficult decision for the candidate and with 87% of professionals considering the same, I predict social mobility to be a wonderful silver lining of the coronavirus pandemic, benefiting both Family Offices and their employees in 2021.

3 Portfolio Diversification

Two thirds of Family Offices have been forced to diversify their investment portfolio as a direct result of COVID-19, looking towards the likes of Biotech to fill a hole caused by declining asset classes.

At the start of 2020 we reported that 68% of Family Offices in America invested in property which was beaten only by Private Equity (83%), Equities (81%) and Fixed Income (78%). Fast-forward to 2021 and Family Offices overwhelmingly predict that interactive technology will generate the most wealth over the next 12 months.

44% of Family Offices when surveyed by Agreus said they think Virtual Technology will generate the most wealth in 2021 followed by one in three who believe it will be biotech. Unsurprisingly after the success of Single Family Office, Athos Service GmbH.

The Munich-based Family Office became one of few to have a single holding in their portfolio valued at over $12BN after their controlling stake in BioNTech made headlines across the globe. The Strüngmann brothers offered an insight into the endless possibilities of biotechnology and with a global population desperate for a dose of its new vaccine, there are plenty of profits to share.

With the youngest generation more prone to taking risks and diversifying, it is likely they will lead the change. Especially as 65% of them said they would diversify the Family Office investment portfolio as soon as they have the chance.

Current leaders aren't so sure however with 63% believing wealth generated in 2021 will come from Baby Boomers and just 17% wagering on millennials being the main source of wealth over the next 12 months.

While the generation of leader is up for discussion, the generation of wealth is not.

Los Angeles based Vasco Noya di Lannoy is the Chief Investment Officer and Co-Founder of Epicenter Landcorp Family Office and having diversified his own investment portfolio steadily over the last five years, offers the three tangible next steps any Family Office should take to diversify their portfolio.

> *"Family Offices have a big appetite and want to build up a large suite of investments but it really comes down to their level of determination and seriousness about diversifying their portfolio into a particular area.*
>
> **VASCO NOYA DI LANNOY**
> Chief Investment Officer

67% *of Family Offices have diversified their portfolio as a direct result of COVID-19*

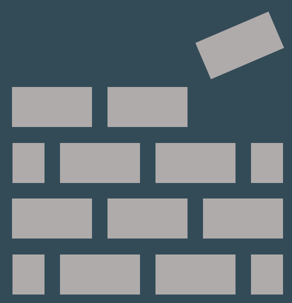
24% *think Clean Energy, Commodities and Real Estate will generate the most wealth in 2021*

44% *of Family Office Leaders think Virtual Technology will generate the most wealth in 2021*

63% *believe it will be Baby Boomers who generate the most wealth*

28% *believe Biotech will generate the most wealth in 2021*

17% *believe the wealth will be created by millennials*



1. INVEST THROUGH A FUND MANAGER
2. CO-INVEST WITH OTHER FAMILY OFFICES
3. BRING RESOURCES IN-HOUSE

"My Family Office focuses on two key areas, real estate and technology. Our portfolio is incredibly diverse and includes residential, industrial and hospitality real estate as well as software, e-commerce and biotechnology. Family Offices are currently very attracted to these assets, especially due to the coronavirus pandemic but they often struggle with where to begin. These are the three options I would advise any Family Office to take in 2021 before diversifying into a new area:

1) Start investing through a fund with a manager who knows the sector
2) Co-invest with other Family Offices who have those capabilities in-house
3) Bring relevant resources in-house who are expert in the sector

The option of co-investing is interesting because it is not as expensive as bringing an investment team in house but allows you to knowledge share. However, it is without a doubt that bringing these resources in-house within your Family Office will yield greater returns, not just because it allows for greater autonomy but due to the coronavirus pandemic and its impact on the biotech industry.

Many are claiming that the biotech space, from an investment capacity, has gained interest in the last few months but actually, it is an area that has been growing for some years now. We started to invest in the area four years ago but the last few months have increased the valuation of the industry and so it has become much more expensive to invest in.

It then becomes about who has access to the lowest prices and who doesn't. Investing through a fund manager or co-investing with other Family Offices are not going to offer the same exposure or access to opportunities and this is when bringing in an in-house investment team is most valuable.

If you rely on fund managers and co-investors, you will never be at the top of the game but it does take a lot of time, money and resources to get there and it depends on how hungry a Family Office is to succeed in a particular space.

Family Offices have a big appetite and want to build up a large suite of investments but it really comes down to their level of determination and seriousness about diversifying their portfolio into a particular area.

For a family not entirely sure about a space and wanting to experiment in 2021, a fund manager may be the best route but for those with an ambition to truly monopolise the space and receive the best return, bringing an in-house investment team is ultimately the best option.

Vasco Noya di Lannoy
Chief Investment Officer

THE AGREUS OPINION

TAYYAB MOHAMED
Co-Founder at Agreus Group
President of Agreus USA

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Family Offices will always seek to preserve the family wealth while trying to make the best return and as a result, diversifying into new areas of investment has always been high on the agenda.

The Coronavirus Pandemic has accelerated portfolio diversification with the likes of Bio and Pharma Technology making headlines, influencing investment decisions and impacting hiring along the way.

The push to Private Equity has increased the requirement for Investment Analysts and as Vasco explains, the sheer competitiveness of these new and exciting industries means bringing resources in-house is the only real option. At least, it is for those wanting to monopolise and receive the best return.

Consequentially, more families are bringing entire teams of investment professionals in-house for the very first time and the trend has certainly caught the eye of onlookers wanting to invest in the most secure way.

We have seen an influx in the amount of Family Offices establishing from scratch and one of the contributing factors since the pandemic struck in March is the fact that Family Offices provide autonomy, access to usually inaccessible investment opportunities and an increased level of security.

This has always been a priority for UHNW families and Family Offices when structured correctly have three layers to their security. Two more than banks.

First of all, some of the investment-focused mandates we have recently supported Family Offices with are to oversee outsourced investments made by funds. This means that their investments are not only being safely made by an external provider but they are being monitored and scrutinised by an in-house investment professional.

On top of this layer sit the Trust and Fiduciary companies who will then ensure the investments being made by their funds are being securely administered. Family Offices as a result offer a uniquely secure way of investing and as the data collected is also exclusively for the use of the Family Office, there is no risk of cross-contamination either.

With the right guidance and resources, opting to use in-house trusted professionals to both review external providers and make direct investments can allow for the greatest level of control while facilitating the highest returns.

83% of Family Offices have in-house investment capabilities

4 ESG & IMPACT INVESTING

There is also a huge impact to be made that goes above and beyond financial return.

Impact Investing and ESG will be a huge conversation in 2021, led mostly by the next generation desperate to make an impact.

73% of tomorrow's leaders said they care about making a social impact when investing. With two thirds promising to diversify the Family Office portfolio as soon as they can, it's likely following an increase in intergenerational wealth transfer that we'll be seeing much more of both ESG and Impact Investing next year.

The Value of Global Assets applying Environment, Social and Governance data to drive investment decisions had almost doubled over the four years leading up to 2020 and tripled from 2012 to now value $40.5TRN. We predict this number to exponentially increase in 2021 but it will not be without obstacles.

UBS warned in its 2020 Family Office report that "the move towards sustainable investing should not be overstated." The bank suggested that it was unclear whether the 64% of millennials likely to make investment decisions based on societal problems was likely to turn their intentions into reality, with a lot of 'hype' and not much action. UBS do however predict that 39% of Family Offices will make their portfolios sustainable over the next five years and we think 2021 will be the start.

2021 comes after an extremely difficult 12 months for the world and Family Offices have overwhelmingly stepped up to the challenge by contributing to the recovery of the Coronavirus Pandemic. Family Offices have shifted their focus from commercials to community, thinking more about the employees of their operating businesses, the community it serves and the impact they can make by redirecting some of their wealth.

This heightened awareness of giving will definitely re-shape Family Office investment strategies moving into 2021.

Here INDF Founder, Amit Anand offers his take on sustainable investing – both environmentally and economically.

> *ESG can be something obvious like renewable energy but it can also be something that is qualitative like: is the Board of Directors of the company you are investing in diverse or, is the company you are investing in; which is very relevant in the Emerging Markets right now, doing something that promotes people rising through classes.*

65%

of next-gens when asked what they would do first after succeeding their patriarch, said they would diversify the investment portfolio

$40.5 trn

is the value of global assets applying environment, social and governance data to drive investment decisions

73%

of next-gen leaders are focused on making a social impact while investing

> *As there are generational shifts, there is a huge focus towards ESG and it is where impact investing really plays into people's investments in where to allocate capital. ESG can be something obvious like renewable energy but it can also be something that is qualitative like: is the Board of Directors of the company you are investing in diverse or, is the company you are investing in; which is very relevant in the Emerging Markets right now, doing something that promotes people rising through classes. ESG as a trend is really relevant now more than ever before and that's showing up in new areas such as value-stocks. As cheap as certain equities in traditional fossil fuels may be, they really are not worth owning at all because they don't follow the trend of where the future is going.*

AMIT ANAND
Founder of INDF

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THE AGREUS OPINION

> *We expect both a diversification in philanthropy and investing to continue well into 2021 as the Coronavirus Pandemic places a keen focus on purpose and community. We also expect this to have a huge impact on Family Office resources.*

KAY SHAH
Head of USA Team at
Agreus Group
kays@agreusgroup.com

Philanthropy has always been a passion of many Family Office Principals but the ongoing Coronavirus Pandemic has emphasised the need for charity and further brought together impact and investing.

PwC reported in June 2020 that 209 billionaires donated more than $6BN to the recovery of the virus and of these, the majority were American.

Our US Family Offices are far more engaged with the prospect of philanthropy than any other global community. They are also most likely to diversify their Foundation portfolios to facilitate those directly impacted by the pandemic.

Many of the Family Offices in our network are placing an emphasis less on their own philanthropic interests and instead looking towards the employees and communities surrounding their operating businesses. Many Principals are also finding areas that they are interested in within the fight against COVID-19, for instance, a client of ours who is often focused of Mental Health, found a charity focused on repairing the emotional damage of the coronavirus pandemic.

The same trend has applied to investing with Family Offices, especially under the influence of younger leaders, seeking both a return and reward on investment.

Family Offices are increasingly diversifying into the realm of Bio and Pharma Technology to not just generate a return but also make an impact on America's development of science and recovery of COVID-19.

We expect both a diversification in philanthropy and investing to continue well into 2021 as the Coronavirus Pandemic places a keen focus on purpose and community. We also expect this to have a huge impact on Family Office resources.

2020 diversified our own hiring portfolio with an increased demand for Family Office employees who sit on the Foundation side of the business. Just a few months ago we placed a Head of Foundation and continue to meet the demand for Investment Analysts who while ordinarily seeking a high return on their investments, do so to fund the philanthropic arm of the Family Office. We have also seen an increase in Family Offices looking for professionals with specific experience within ESG as the push to create a more sustainable world continues and as Amit points out, Impact Investing is not always about the environment.

Sometimes impact means investing in an organisation that has a balanced leadership team and with 2020 bringing social-political issues to the forefront of everybody's minds and a female woman of colour as our newly-elected Vice President, I think we can expect a dedication to Impact Investing with more than one face in 2021.

CONCLUSION

While it hasn't been a textbook great start to the year, 2021 will be the year of prosperity of growth with a new political era and the direct implications of COVID-19 paving the way for success.

Portfolio diversification will continue to offer more opportunity, a global talent pool will make those opportunities more accessible and a focus on ESG will make those opportunities mean a whole lot more to Family Offices, their operating businesses and the community they both sit in.

We will see more Family Offices, more of those Family Offices bringing investment resources in-house and a focus on making those investments both impactful and secure.

We will witness an awakening to the importance of ESG, not just in terms of protecting the green lining caused by the coronavirus pandemic but allocating our time, wealth and energy on dealing only with those passionate about positive change. Family Offices will prioritise organisations with mixed leadership boards, invest in causes they might usually donate in and diversify their investment portfolio to reflect the coronavirus pandemic, looking at industries they can both generate a return and an impact from.

We will also see Family Offices modernise as a concept, evolving from being private family operations to incorporating valuable and trusted outside expertise while Principals let their next-generation fly and flourish, chasing careers outside of the Family Office and perhaps leading quietly from the Board.

As Family Offices open their doors to outside expertise, we can also expect a professionalisation of current operations with executives introducing the likes of back-office automation, cyber security and even communications to mirror the corporate world of work. The benchmarked industries that these Family Office executives come from will also call into question compensation and so Family Offices will start to see the importance of a benchmarked environment to avoid disputes, retain talent and motivate staff.

Of course, all of this will happen while the 46th President sets out to achieve his long list of promises for his first 100 days in power including recovering from the coronavirus pandemic, improving climate change and ridding racial inequality. President Biden will also enhance international trade by marketing the US on a global stage, all of which will play a huge part in making 2021, the year of prosperity and growth.

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