

Morgan Stanley

PRIVATE WEALTH MANAGEMENT

BOTOFF
CONSULTING

Single Family Office Compensation Report

2021 SURVEY

Prepared by Botoff Consulting, LLC on behalf of Morgan Stanley

Foreword

As part of our ongoing efforts to provide actionable insight to leaders of single family offices and the families they serve, we are pleased to present our Single Family Office Compensation Report 2021 Survey. Our hope is that the benchmarks it provides and the trends it explores will prove helpful to you as you make all-important staffing decisions and determine appropriate salaries, benefits and incentive packages. We wish to thank everyone who participated in this landmark study and our colleagues at Botoff Consulting, whose input and analysis were indispensable at every stage of the process.

Morgan Stanley's Single Family Office Advisory, part of the Signature Access platform within Family Office Resources, was established to provide unique, customized resources to single family offices as well as families that are considering establishing one. We would welcome an opportunity to discuss any questions you have related to this study, or any other issues you wish to explore.

Sincerely,



Valerie Wong Fountain, CFA®
Head of Signature Access and Single Family Office Advisory
Family Office Resources
Morgan Stanley



David Bokman
Managing Director
Head of Family Office Resources
Morgan Stanley

Organizations depend on reliable data from trusted sources to help shape compensation decisions. Botoff Consulting is committed to providing those resources, guiding family offices and family business enterprises in the development and implementation of customized compensation strategies that are aligned with their vision, mission, goals and performance. The Single Family Office Compensation Report 2021 Survey is very much a reflection of our commitment, leveraging our industry-leading proprietary data and our understanding and capturing of market trends.

We would like to thank all those who participated in this survey, and the many industry leaders who contributed to this report. We would also like to thank the Morgan Stanley Family Office Resources team for their leadership, collaboration and commitment to the family office industry. Our partnership continues to support family offices with valuable insight on compensation data, trends and best practices in an ever-competitive market for the world-class professional talent that families are targeting to lead their organizations.

Sincerely,



Trish Botoff
Founder and Managing Principal
Botoff Consulting

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About the Survey

Morgan Stanley partnered with Botoff Consulting to conduct a single family office (SFO) compensation survey. This report presents survey findings along with trends impacting compensation in family offices.

The Single Family Office Compensation Report 2021 Survey included 18 key positions. These are unique roles within family offices, whose compensation is likely to differ from market levels in the general industry. The online survey was conducted from April 7, 2021, through May 27, 2021.

This compensation data reflects 2021 base salary, bonuses and incentives paid for 2020 performance. Survey information was collected and analyzed by Botoff Consulting and is presented in aggregate to Morgan Stanley and all other parties.

Survey Highlights

Compensation for executives is correlated with size, scope and complexity of the family office, best represented by AUM in most cases.

Executive salary increases outpaced the broader U.S. market in 43% of family offices, and in 58% of firms with \$1 billion or more in AUM.

Staff salary increases outpaced the broader U.S. market in 37% of family offices, and in 52% of firms with \$1 billion or more in AUM.

Use of incentive compensation in family offices remained strong even during the pandemic, with 87% of participants reporting bonuses comparable to or higher than prior-year bonuses.

The use of long-term incentive (LTI) plans continues to grow, and usage increases with AUM. Overall, 55% report using LTI plans, and more than 70% of family offices with AUM of \$2.5 billion or more use LTI plans.

Deferred incentive compensation, co-investment opportunity and carried interest are the most prevalent vehicles used for long-term incentive plans.

Family member executives typically do not participate in long-term incentive plans, and generally are paid less than their non-family member counterparts.

Family offices outpace the general market with women in CEO and leadership roles.

Profile of Participating Firms

Profile of Participants

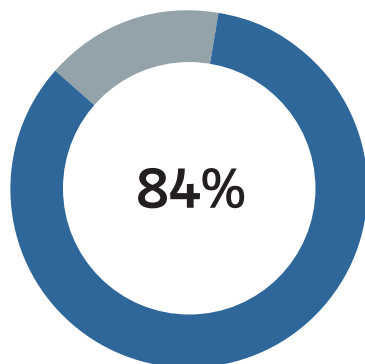
Survey Participants by Assets Under Management and Net Worth

The survey included responses from 217 single family offices reporting data on 827 incumbents, including 366 executives and 461 staff members. The findings represent a broad dispersion of family offices across assets under management (AUM) tiers. The tables below present a summary of participants by family office AUM and family total net worth.

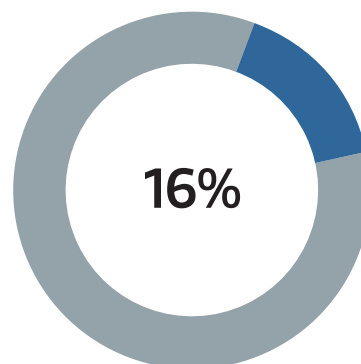
FAMILY OFFICE AUM		FAMILY TOTAL NET WORTH	
AUM	% of Participants	AUM	% of Participants
\$2.5 Billion or More	17%	\$2.5 Billion or More	32%
\$1 Billion - \$2.49 Billion	29%	\$1 Billion - \$2.49 Billion	28%
\$500 Million - \$999 Million	21%	\$500 Million - \$999 Million	18%
Less than \$500 Million	33%	Less than \$500 Million	22%

Firm Structures

84% of participants report that their family offices are stand-alone entities and 16% report that they operate as part of or are embedded within a family operating company.



Stand-Alone Entities

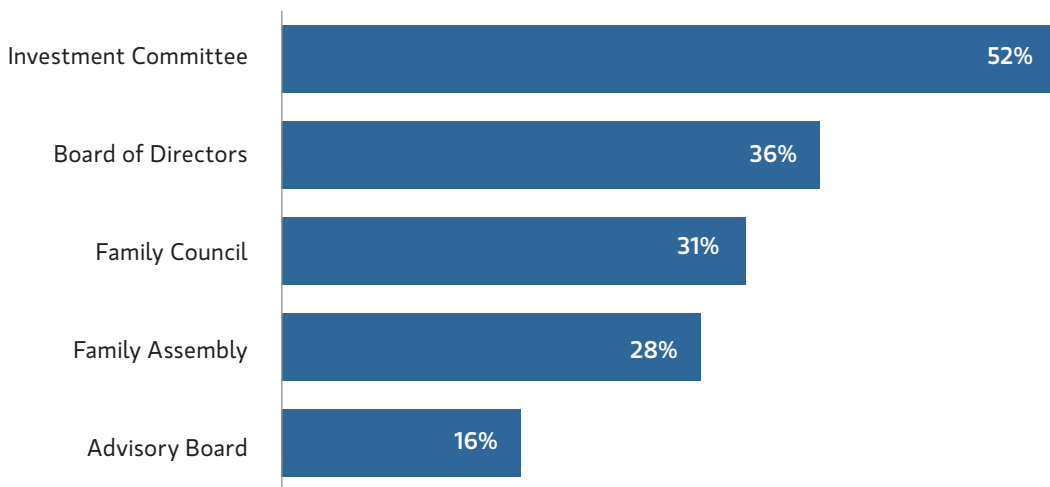


Within a Family
Operating Company

PROFILE OF PARTICIPATING FIRMS:

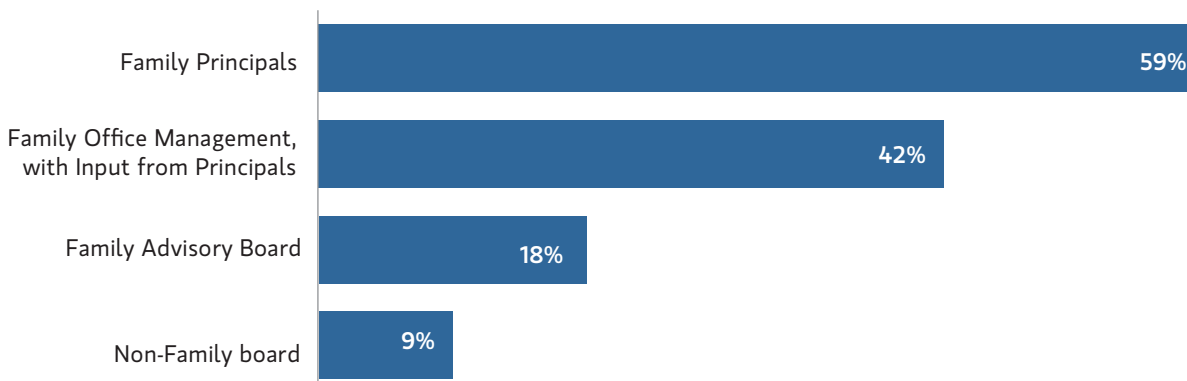
Governance Structure

In the Single Family Office Governance and Compensation Report, released by Morgan Stanley in May 2021, data shows the most prevalent reported governance structure was a stand-alone Investment Committee (52%), followed by a Board of Directors (36%) and Family Council (31%).



Compensation Oversight

Family offices were asked to report how oversight of compensation is managed (multiple responses were permitted). Most family offices report that family principals are involved in decisions, and more than one-quarter of family offices report board oversight.

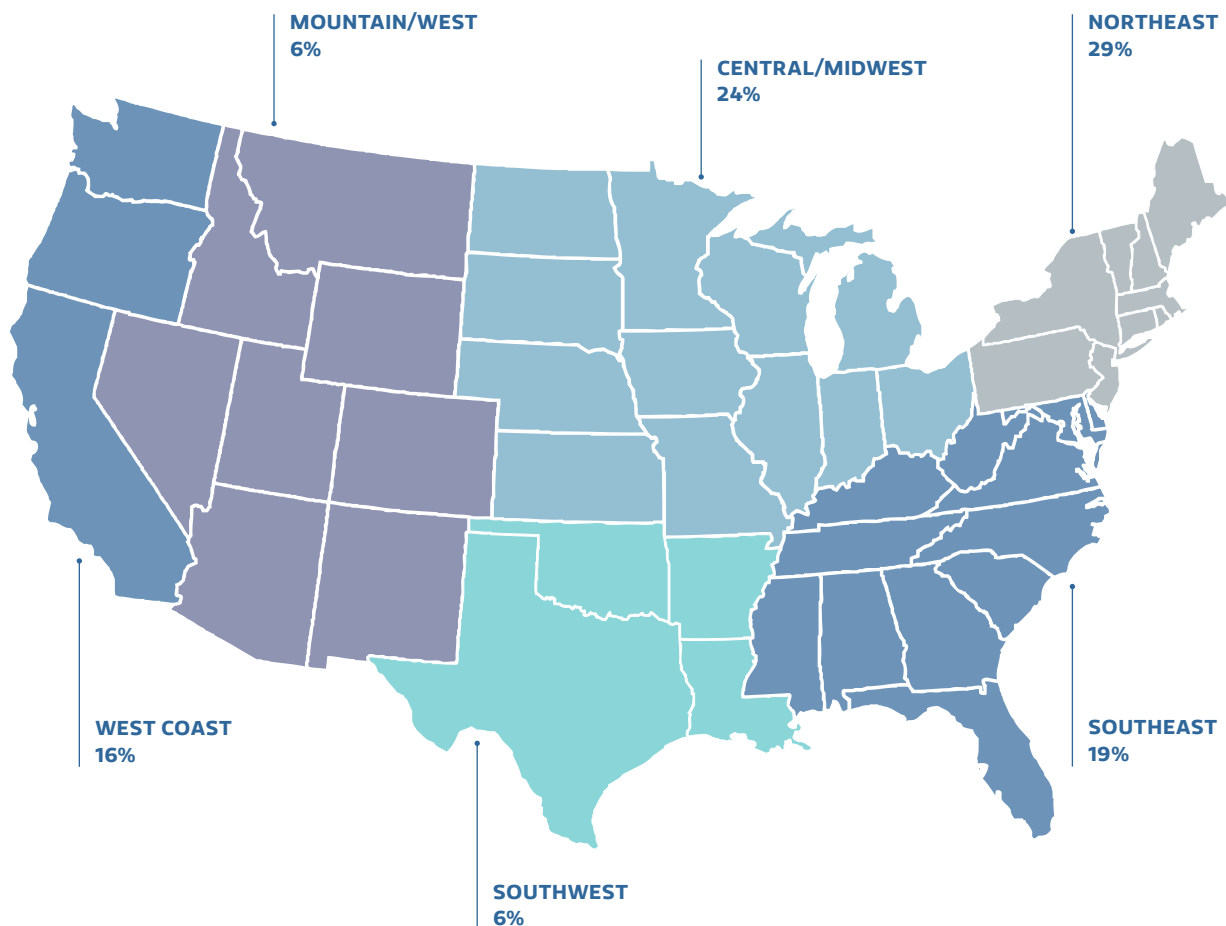


PROFILE OF PARTICIPATING FIRMS:

Survey Participants by Geography

Survey participants were well-aligned with the overall geographic distribution of family offices across the U.S.

In addition to the primary locations reported, 20% of participants reported secondary family office locations (not included in the chart below) primarily in the eastern and western regions of the U.S. Reno was the most prevalent secondary location reported, unsurprising given that Nevada has historically been considered a favorable jurisdiction for forming and maintaining a trust, and lacks state and corporate income tax.



PROFILE OF PARTICIPATING FIRMS:

Single Family Office Characteristics

The complexity of a family office typically increases as AUM rises, often in proportion to the average number of in-house staff, households and family members supported. However, the number of generations supported by family offices continues to remain relatively flat across AUM tiers.

Firm Characteristics	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Average Number of In-house Staff	14.4	37.8	14.4	8.4	5.9
Average Number of Households Supported	7.8	8.8	9.0	6.9	6.7
Average Number of Family Members Supported	20.5	26.7	23.2	15.9	18.0
Average Ratio of Family Members to Staff	1.4	0.7	1.5	1.9	3.1
Average Number of Generations Supported	2.6	2.5	2.6	2.8	2.7

The table below illustrates the average number of foundations/NFPs (not-for-profit) organizations, corporate entities and individual trusts supported by family offices at various AUM tiers. The number of entities supported by family offices further illustrates that the complexity of a family office increases as AUM increases.

Entities Supported	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Number of Foundations/NFPs	2.3	4.6	1.8	2.1	1.6
Number of Corporate Entities	31.5	59.3	29.7	28.5	20.0
Number of Individual Trusts	34.8	55.8	40.2	22.8	26.8
Total Number of Entities Supported	65.3	111.2	69.1	51.1	45.6

PROFILE OF PARTICIPATING FIRMS:

Single Family Office Services and Resources

Nearly all family offices provide tax compliance and planning, legal services, financial and estate planning, succession planning, and insurance and risk management. Wealth education, a new area included in this survey, is provided by 75% of family offices.

These responses have been consistent across our family office surveys since the first family office survey conducted by Botoff Consulting in 2015.

99%Tax Compliance/
Preparation**96%**

Tax Planning

97%

Estate Planning

95%

Legal Services

93%Insurance/
Risk Management
Planning**97%**Financial
Planning**89%**Succession
Planning and Issues**75%**

Wealth Education

74%

Concierge Services

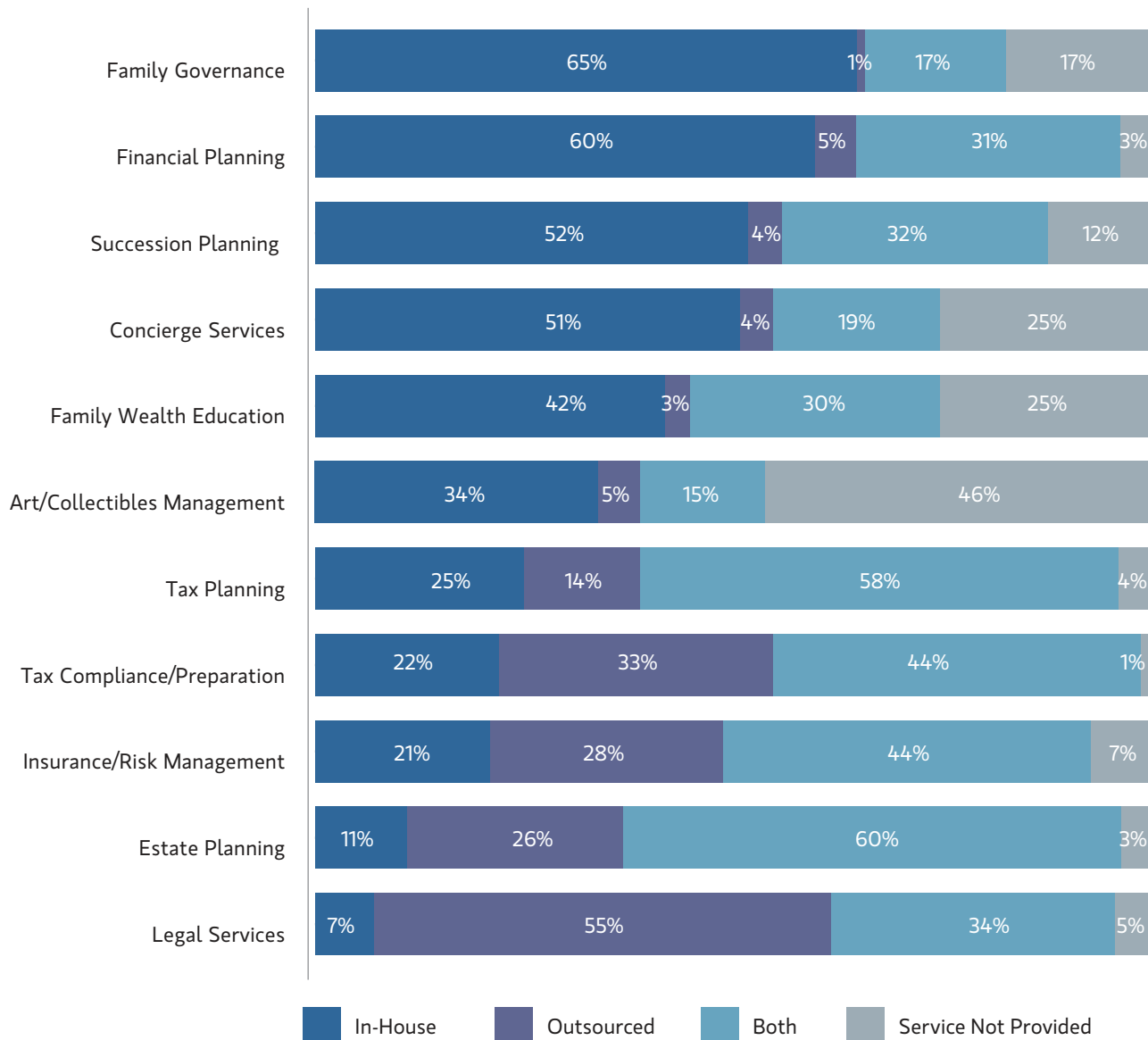
54%Art/Collectibles
Management

PROFILE OF PARTICIPATING FIRMS:

Single Family Office Services: Insourced Versus Outsourced

While the range of services varies across organizations, all family offices surveyed utilize a mix of in-house staff and outsourced resources to meet their families' needs. More than 65% of participants reported using internal resources for family governance, the highest prevalence of in-house support. That was followed by financial planning at 60%, succession planning at 52% and concierge services at 51%.

Legal services were the only service that a majority of family offices reported outsourcing, at 55%. However, this is a decrease of nearly 10% from prior survey data and could be a result of family offices expanding the use of internal Chief Legal Officer/General Counsel positions.



PROFILE OF PARTICIPATING FIRMS:

Investment Approach

Public equities continue to be the most prevalent investment type used by family offices, with nearly all respondents reporting that is where they allocate the highest percentage of their AUM.

Alternative investments have become increasingly popular with family offices, particularly private equity. Hedge funds and venture capital reflect the lowest investment categories as a percentage of allocated AUM. We expect to see continued interest in private equity.

Percentage of Investment Type Used by Single Family Office

	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Public Equities	97%	100%	96%	100%	93%
Private Equity	94%	97%	98%	98%	87%
Fixed Income/Cash	89%	90%	91%	88%	87%
Real Estate	85%	77%	85%	91%	84%
Hedge Funds	66%	58%	70%	67%	67%
Venture Capital	62%	71%	53%	72%	59%

Percentage of AUM Allocated by Investment Type

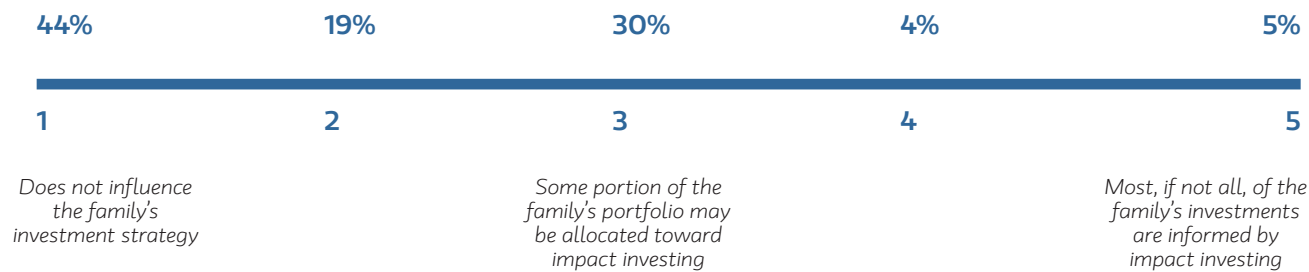
	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Public Equities	34%	33%	37%	28%	35%
Private Equity	21%	24%	20%	21%	20%
Fixed Income/Cash	15%	13%	16%	16%	16%
Real Estate	21%	15%	17%	22%	27%
Hedge Funds	15%	18%	14%	17%	14%
Venture Capital	10%	15%	11%	8%	8%

PROFILE OF PARTICIPATING FIRMS:

A Growing Commitment to Social Impact Investing

Reflecting a broader global trend, an increasing number of single family offices are factoring environmental, social and governance (ESG) criteria into their investment decisions. More than half of the family offices we surveyed indicated that at least some investments are informed by ESG considerations, with an average of 14% of investable assets being allocated to social investments, more widely known as sustainable and impact investing.*

RANKING: IMPORTANCE OF SOCIAL IMPACT INVESTING



We are also seeing a growing desire among ultra high net worth clients and family office leaders to gain a better understanding of the various approaches to aligning investment strategy with values and philanthropic objectives. Lily Trager, Morgan Stanley Head of Investing with Impact, reports, “Across this group, we are seeing strong and growing demand for sustainable investing, particularly focusing on climate change, and diversity and inclusion. This is accelerated by increasing data and analytics capabilities, including our proprietary impact reporting tool, Morgan Stanley Impact Quotient, which allows clients to customize their impact reporting to reflect their values.”

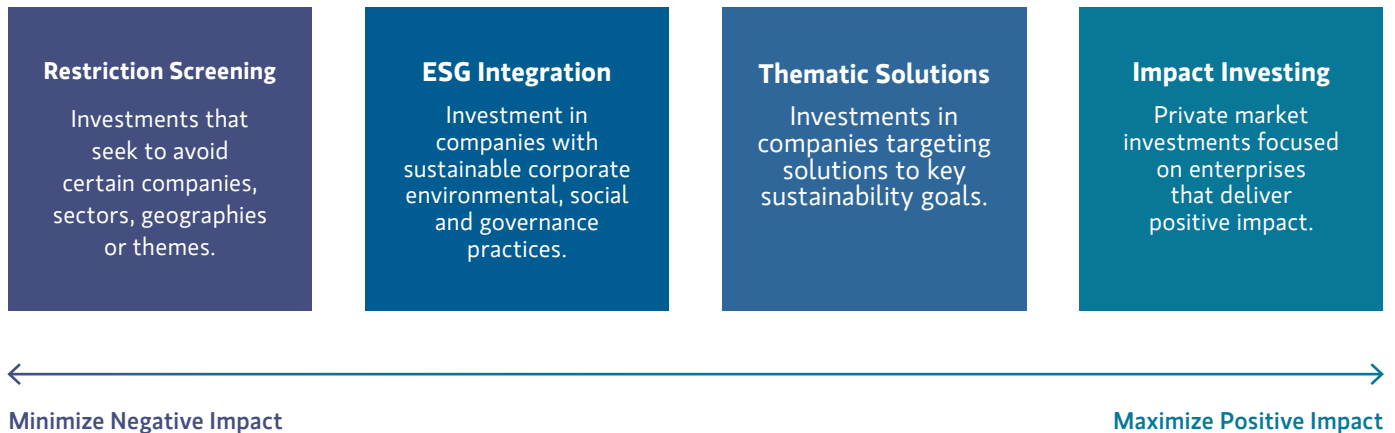
About one-third of millennials often, or exclusively, use investments that take ESG factors into account, compared with 16% of Gen X and 2% of baby boomers.** Given the propensity of younger generations to favor sustainable investment strategies, the trend toward increased adoption is likely to accelerate. The ability to assess and incorporate sophisticated approaches to sustainable investing will keep gaining in importance as we are already seeing in the family offices of highly prominent philanthropists. It’s also likely that an understanding of the tools and techniques used to measure ESG impact will become an increasingly valued skill and perhaps even a prerequisite for future family office CIOs.

*Morgan Stanley Wealth Management.

**Source: Morningstar. Available at: <https://www.morningstar.com/articles/926921/who-cares-about-esg-investing>.

Expanding Choices in a Maturing Field

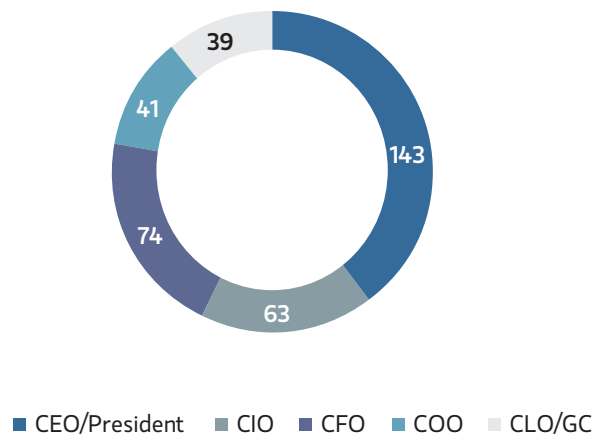
With rapidly proliferating investment choices and assessment tools, there are many ways for family offices to begin exploring social investment strategies. For those relatively new to the process, it may be helpful to think of various approaches as stages on a continuum between minimizing negative impact and maximizing positive impact.



Profile of Executives

Profile of C-Suite Executives

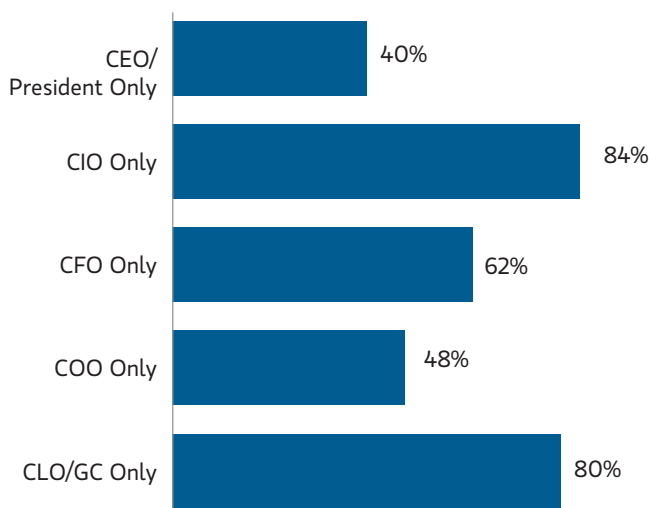
Data on 360 incumbents was reported for the five executive positions included in the analysis below:



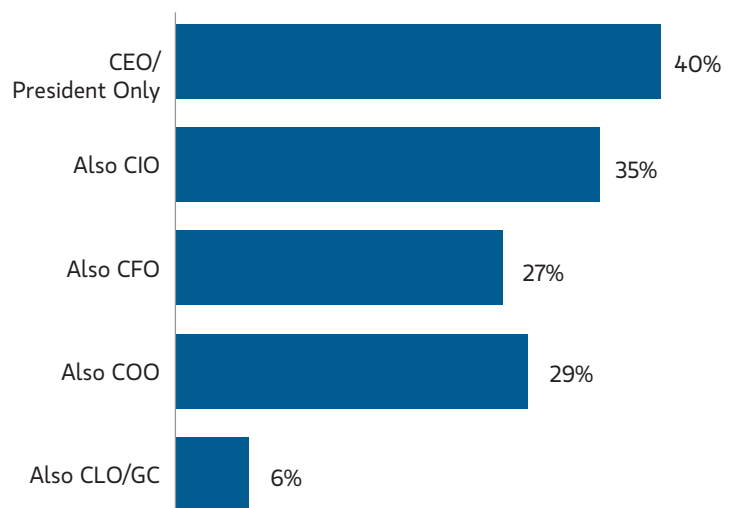
Roles of Single Family Office Executives

Many family office executives hold multiple positions, and it is common for there to be a blending of responsibilities across several roles. CEOs are the most likely to wear multiple hats. CIOs and General Counsels tend to focus only on the responsibilities of their positions.

ROLES OF FAMILY OFFICE EXECUTIVES



PERCENTAGE OF CEOs PERFORMING ADDITIONAL ROLES



PROFILE OF EXECUTIVES:

Family Members in Executive Roles

As AUM and complexity increase, families are more likely to hire experienced non-family professionals. Family members' roles tend to evolve toward oversight and governance.

Overall, 14% of reported executives are family members serving in executive roles. At 33%, CEO is the most-held position for a family member. No organizations reported family members in a CFO role.

While it is not uncommon for the CEO to be a family member in family offices of all sizes, family executives are most prevalent in family offices with less than \$1 billion dollars in AUM.

	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
CEO	33%	21%	29%	35%	41%
CFO	–	–	–	–	–
CIO	6%	–	6%	–	33%
COO	6%	–	8%	10%	–
CLO/GC	2%	–	–	14%	–

Family Member Compensation Differentials

CEO is the only role in which a comparison could be made, as the percentage of family members in CIO, CFO, COO and CLO positions was too small to make an accurate comparison. Family member executives who do not receive competitive compensation were excluded from the data analysis.

We found that family member CEOs are compensated less than their non-family member counterparts. Not only do they receive lower base salaries and bonuses, family members also rarely participate in LTI plans. It is not uncommon for family members to be paid two-thirds that of non-family member CEOs, or even less.

PROFILE OF EXECUTIVES:

Gender

While nearly three-quarters of family office executives are men, female representation is making significant gains or approaching parity in several senior positions, notably the CFO, COO and CLO/General Counsel roles. There are fewer women, as a percentage of the total respondents, in the CEO and CIO roles.

SINGLE FAMILY OFFICE EXECUTIVES BY GENDER

Executive Role	Male	Female	Other
All	72%	28%	0%
CEO	79%	20%	1%
CIO	83%	17%	–
CFO	67%	33%	–
COO	55%	45%	–
CLO/General Counsel	55%	45%	–

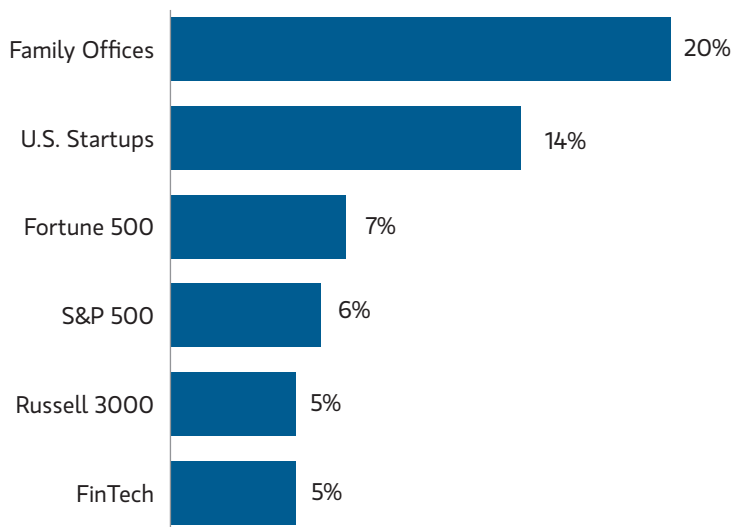
PROFILE OF EXECUTIVES:

Female Leaders in Single Family Offices Versus General Market

The increasing number of women in family office executive positions reflects a broader trend in the U.S. workforce and compares favorably to corporate America. In both arenas, significant progress has been made, particularly at more junior levels. At the beginning of 2020, 47% of all entry-level positions at U.S. corporations were filled by women, up from 43% in 2015.* While this near-parity diminishes at each step up the corporate ladder, there have been improvements. The portion of corporate C-suite positions held by women grew 22% from 2015 to 2020. As that still means that only one in five C-suite officers is female, corporate America lags behind U.S. single family offices in achieving gender balance.

If one were to project the growth rates forward, the trends are quite positive. Unfortunately, there are indications that rapid changes in the workplace, particularly the added burdens placed on working mothers, may slow progress toward gender parity. Nearly one in four female corporate employees indicates that they are at least thinking about downshifting their careers or leaving the workforce.*

PERCENTAGE OF WOMEN CEOs**



“We expect that single family offices offering lifestyle advantages, in addition to competitive compensation, will continue to attract highly accomplished female executives. Greater flexibility and a better work-life balance are increasingly prized in the post-pandemic environment.”

Valerie Wong Fountain,
Head of Morgan Stanley Signature
Access Family Office Resources

* McKinsey & Company, Women in the Workplace 2020.

** www.holoniq.com/notes/women-ceos-leaders.-the-global-state-of-play.-2021/

Single Family Office Talent

As in any other field that requires the contributions of highly skilled professionals, family offices need to offer competitive compensation packages to attract and retain top talent. Several trends are driving a different perspective on how that compensation should be viewed. Linda Mack, founder and president of Chicago-based Mack International, suggests, “We encourage families to view every person they hire as a return on investment: it is not a cost, it is a value-add. If families want long-term commitments and specific skills and attributes, they should understand that boundaries put on compensation structures have significant implications in their ability to recruit the best candidates.”

Increased Sophistication of Family Offices

Family offices are becoming increasingly professional, strategic and proactive in addressing family needs. They are incorporating more advanced platforms and systems, and now require staff with more sophisticated skill sets. To meet this demand, family offices are recruiting from a steadily widening pool of talent to fill a broad spectrum of leadership and functional positions.

Linda Mack reports, “You are now seeing increasing movement of talent from public and institutional markets to family offices. Families are seeking a strategic skill set. They want investors, not just allocators ... leaders who inspire people, not managers.” This increasing competition is impacting the tone/pace for competitive compensation in large, institutionalized family offices, and for those that aspire to be.

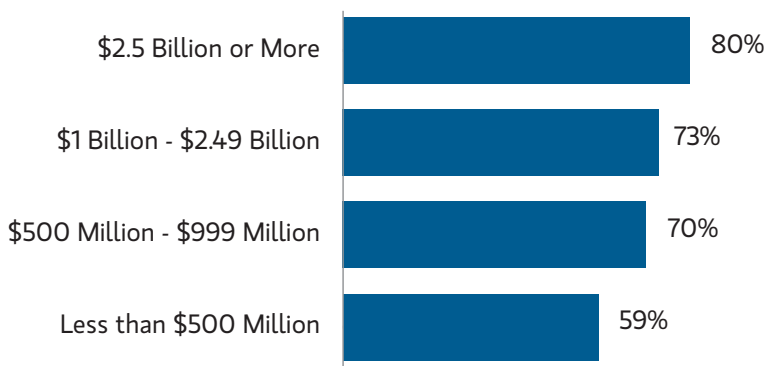
Growth of Internal Investment Teams

Family offices continue to grow in-house private equity investment teams, across AUM categories, to meet evolving investment mandates. The level and quality of in-house investment and technology resources have also increased to properly support these teams. While family offices continue to look for specialized in-house investment talent, they also partner with global financial services firms to expand their capacity and gain access to specialized capabilities.

Family offices seeking to build and/or expand in-house investment teams will be required to:

- Invest in recruiting talented professionals in a highly competitive environment. (Investment talent will likely be more expensive than finance/administrative talent.)
- Design a platform that supports the success of their investment team within the constraints of their budget and/or partner with a world-class financial services firm that has access to the types of opportunities the family is seeking.

PERCENTAGE OF INVESTMENT ACTIVITIES MANAGED IN HOUSE



Single Family Office Compensation Practices and Trends

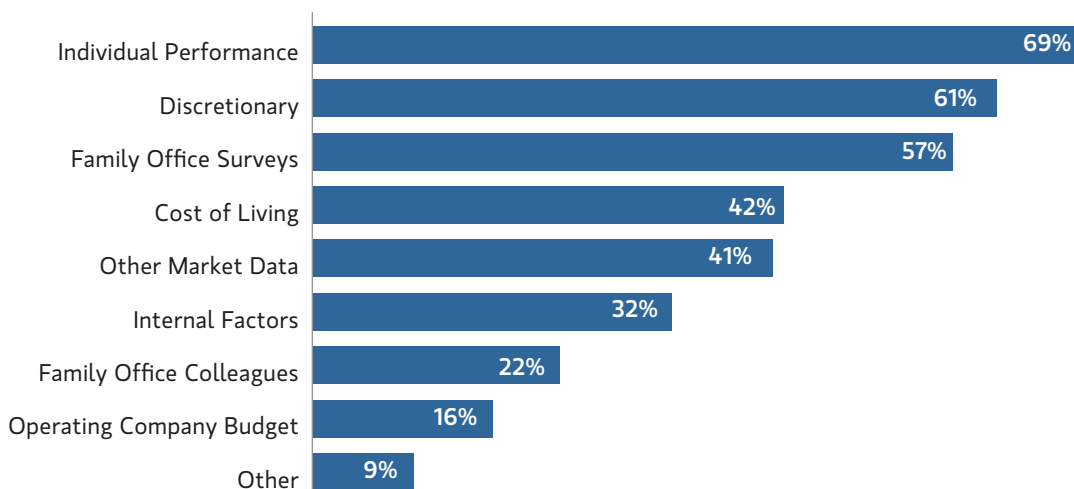
Salary Increases

The Majority of Single Family Offices Adjust Salaries Annually.

Family offices report that 83% of executives and 86% of staff received an annual salary increase in 2020. More than 80% of family offices reported that they gave employees salary increases in the previous 12 months, a rise over 2019 reported family office data.

Drivers of Salary Increases

Family offices report using a combination of factors to inform salary-increase decisions, the most prevalent of which were individual performance, discretionary factors and family office market data.



Single family offices significantly outpaced the general U.S. market in terms of 2021 salary increases. Approximately half of the surveyed family offices reported salary increases of 3% to 5.9% for both executives and staff, as opposed to overall U.S. salary increase projections of 2.8%, as reported by WorldatWork.* U.S. budgets for salary increases decreased for 2021 from prior years as a result of financial complications resulting from the pandemic.

Salary increases in family offices outpaced the broader U.S. market:

- In 70% of family offices for executive increases
- In 74% of family offices for staff increases

* WorldatWork, 2020–2021 Salary Budget Survey

Executive Salary Increases

2021 Salary Increases: Executives	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Increases Have Not Been Granted in Previous 12 Months	17%	17%	17%	18%	17%
Less Than 2%	8%	3%	4%	11%	12%
2% - 2.9%	5%	0%	6%	2%	9%
3% - 3.9%	27%	13%	23%	37%	29%
4% - 5.9%	20%	30%	24%	18%	14%
6% - 9.9%	12%	17%	15%	7%	12%
10% or More	10%	20%	11%	7%	8%

2021 Salary Increases: Staff	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Increases Have Not Been Granted in Previous 12 Months	14%	13%	9%	18%	15%
Less Than 2%	7%	0%	0%	11%	12%
2% - 2.9%	6%	3%	4%	9%	6%
3% - 3.9%	36%	29%	37%	43%	35%
4% - 5.9%	25%	39%	30%	14%	21%
6% - 9.9%	8%	6%	17%	2%	6%
10% or More	5%	10%	4%	2%	5%

What is the difference between Annual Incentive and Bonus?

Annual Incentive

Structured plan that typically involves predetermined opportunity levels, performance targets and measures.

Bonus

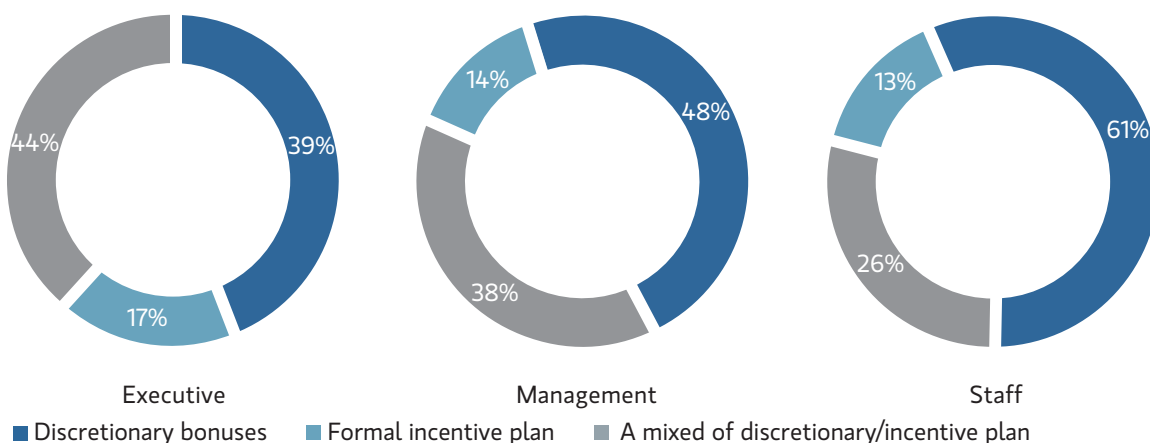
Discretionary in timing and nature, and may not reflect defined opportunity levels or performance measures.

Our research indicates that the use of annual incentives is typically higher in single family offices with AUM of \$1 billion or more. This is consistent with other survey data that indicates that the larger a firm is by AUM, the more likely it is to adopt more structured incentive compensation processes.

Bonus Determination

While the reported use of discretionary-only bonuses remains high, it has decreased as family offices increasingly offer structured incentives, with some discretion, particularly for executive and management positions. Families can better drive performance outcomes with a more defined structure in place versus using only discretionary bonuses.

A more structured incentive plan can be used to create alignment between the family's strategic priorities and efforts of the family office team, drive team collaboration, and reward performance when predefined goals and metrics have been achieved. Additionally, incentives can be structured and used as a retention tool.



Annual Incentive and Bonus Compensation

Ninety-three percent of participating family offices report that employees are eligible to receive either annual incentives or bonuses. Forty-one percent of participants report that bonus amounts are comparable to 2019 while 39% report that bonuses are higher than 2019.

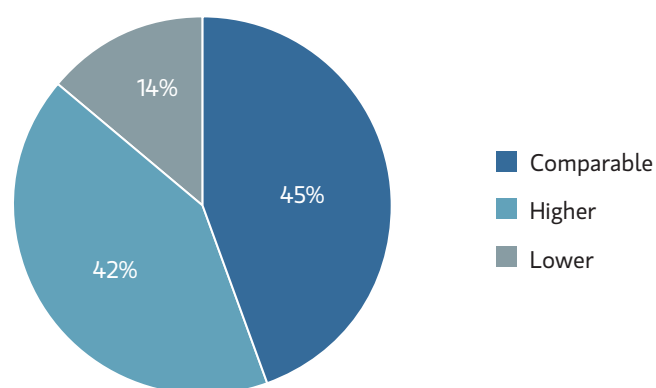
Eighty-three percent of family office executives received bonuses for 2020 performance. Management and staff were closely aligned, with 70% and 68% receiving bonuses for 2020 performance.

PERCENT RECEIVING BONUSES FOR 2020 PERFORMANCE

Percent Receiving 2020 Bonuses	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Executives	83%	73%	84%	88%	84%
Management	70%	73%	69%	72%	69%
Staff	67%	70%	66%	74%	62%

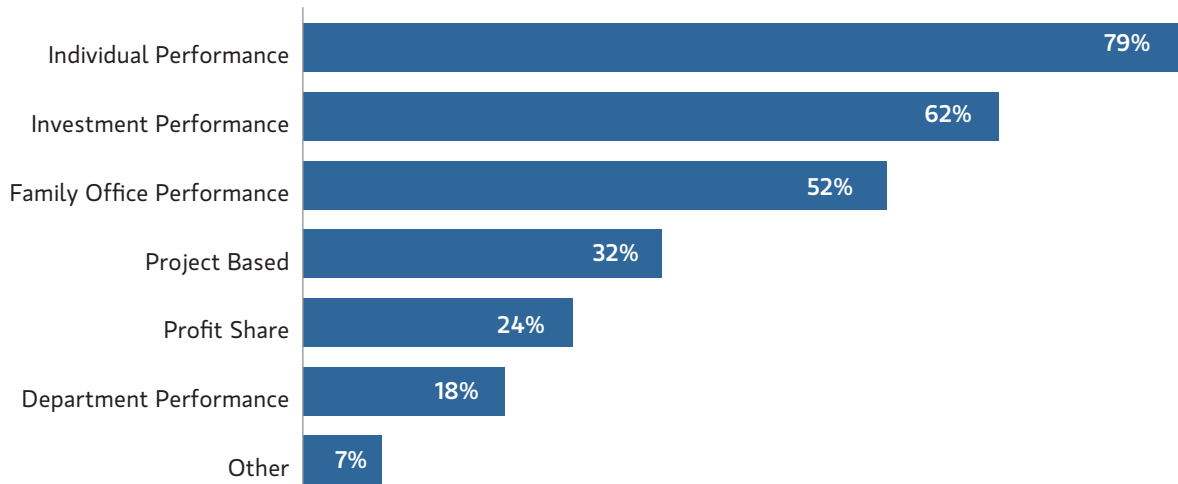
Family offices report that 45% of bonuses paid for 2020 were comparable to bonuses paid for 2019, and 42% report that bonuses paid for 2020 were higher than bonuses paid for 2019.

2020 VERSUS 2019 BONUSES COMPARISON



Drivers of Bonus/Annual Incentive Decisions

Family offices report using a combination of factors to inform bonus decisions. The most prevalent factors cited include individual performance, investment performance and family office performance.



Long-Term Incentive (LTI) Compensation

The use of long-term incentive (LTI) plans in single family offices continues to grow. Today’s family offices recruit talent across industries and geographies, resulting in an increasing sophistication and formalization of family office structures. The growth of in-house investment teams has also had a significant impact on the use of LTI plans to attract talent. This is especially true for offices that have in-house investment teams focused on direct private equity and real estate investments.

Families have considerable flexibility to match the appropriate LTI structures with their compensation philosophy. The most effective plans balance perspectives, align family goals, and ensure executives (and their teams) can focus on executing strategy and delivering performance. Plan definition, design and the modeling of returns are critical components of LTI plan implementation. LTI plan documentation is a critical step to ensure proper understanding and communication of performance expectations, awards and payouts.

Overall, 55% of survey respondents reported the use of LTI vehicles. This prevalence increases with AUM, with more than 70% of family offices with \$2.5 billion or more in assets reporting use LTI plans, and more than 80% of family offices with \$5 billion or more in AUM.

Overall, 55% of Family Offices Report the Use of One or More LTI Vehicles.

The use of LTI plans generally increases with AUM; in family offices with AUM between \$1 billion and \$2.49 billion, two-thirds use LTI plans. And in family offices with AUM \$2.5 billion or more, over 70% use LTI plans.

USE OF LTI PLANS BY AUM

Use of LTI Compensation	All	\$2.5 Billion or More	\$1 Billion - \$2.49 Billion	\$500 Million - \$999 Million	Less than \$500 Million
Prevalence by AUM	55%	70%	67%	33%	46%

Long-Term Incentive Practices and Considerations

LTI PLAN TYPES AND PRACTICES

Deferred Incentive Compensation

- Incentive compensation that is based on longer-term performance and typically vests over time and pays out in the future
- Commonly used by family offices focused on oversight/management of family's affairs and/or investments; used for teams without investment/allocation responsibility and/or non-investment team members
- Can be implemented alongside a nonqualified deferred compensation plan, which will allow participants to defer payouts to assist with tax planning

Co-Investment Opportunity

- Allows participants to invest with the family, allowing access into deals with participants' financial contribution; families should assess their objectives and the tax and legal implications to determine the best approach for their circumstances
- Most commonly used by family offices with in-house public and private investment teams; plans often incorporate use of leverage
 - Leverage may be provided via recourse loans, which typically are charged an interest rate and repaid from transaction proceeds/plan vesting
 - Some families choose to offer leverage via non-recourse loans, which do not have to be repaid

Carried Interest/Phantom Carry

- Provides participants with a share of investment profits in excess of a specified return, typically in direct and alternative investments such as private equity, venture, hedge funds and real estate; no "one-size-fits-all" model—pools range from 10% or less to at or near a traditional private equity level of 20%
- Phantom carried interest
- Most commonly used by family offices with a private equity function; firms employ both real and synthetic plans

Profit Sharing

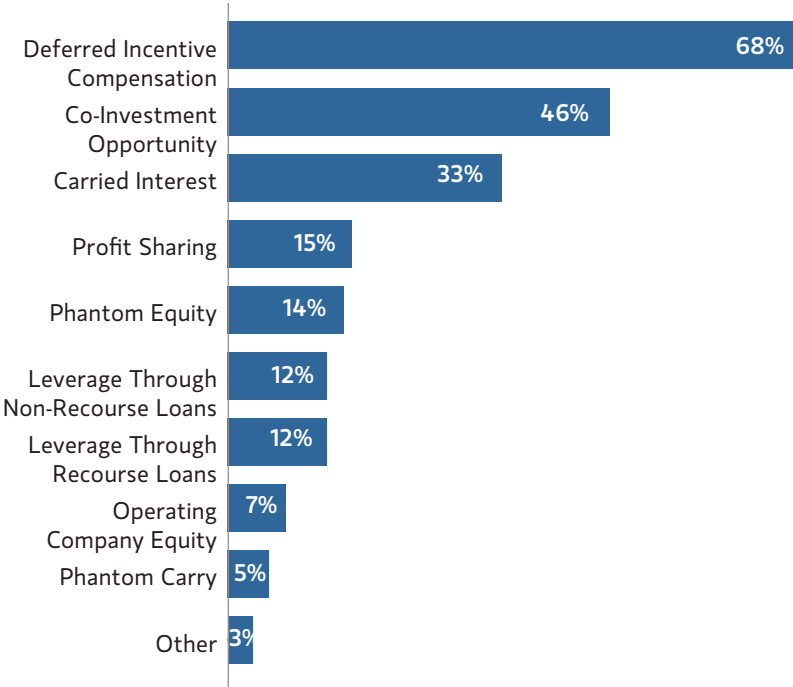
- Formally defined annual or long-term performance and reward plans that often allow family office employees to participate in gains driven by the family office
- Commonly used as a retention and recruiting tool by family offices with in-house or outsourced investment teams
- Typically includes either all employees or those not participating in other LTI plans

Operating Company Equity/Phantom Equity

- Stock awards or other company equity
- Phantom/synthetic equity is a stock equivalent that provides some of the benefits of stock ownership; sometimes referred to as "shadow stock"
- Most commonly used by family offices with strong management/oversight of family operating company or companies

LTI Plan Prevalence

Plan types vary widely in use and complexity. The key to alignment is matching the plan to value-creating activities. Deferred incentives and carried interest were the LTI plans utilized most by the single family offices surveyed. Co-investment opportunities are also popular, but generally considered to be a benefit for select employees rather than a form of LTI.

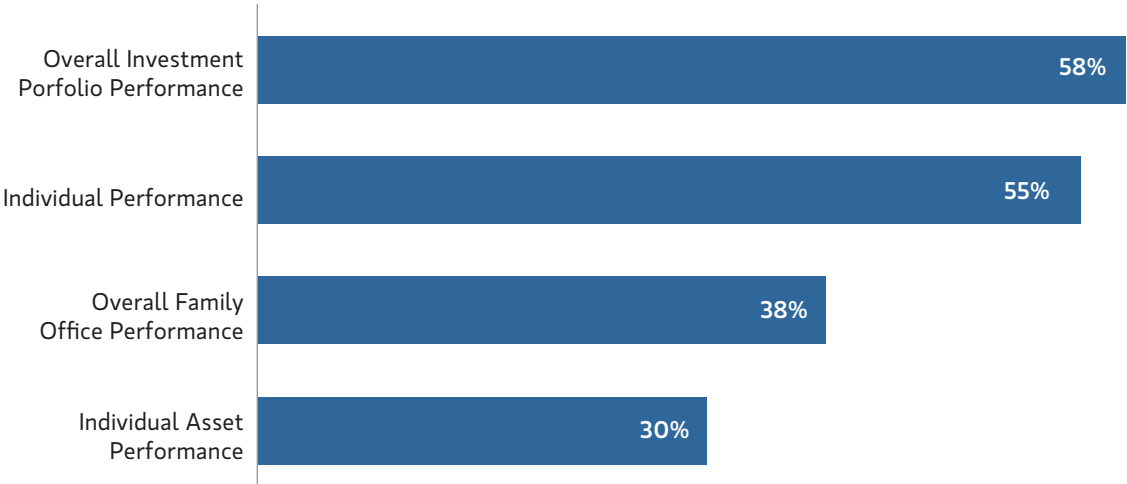


LTI PLAN TYPES

LTI Plan	Description
Deferred Incentive Compensation	Incentive compensation opportunity that is based on longer-term performance, which typically vests over time and pays out in the future
Co-Investment Opportunity	Allows participants to make a minority investment alongside the family into investment vehicles to which the participants would not normally have access
Carried Interest	Provides participants with a share of investment profits in excess of a specified return, typically in alternative investments such as private equity or hedge funds
Profit Sharing	Plan that allows family office employees to participate in gains driven by the family office.
Leverage	The use of borrowed capital to increase the potential return of a co-investment. Leverage provided from the firm will typically be a recourse loan, which means the loan must be paid back. In rarer circumstances, the loan may be structured as non-recourse, in which the loan is not required to be repaid but collateral may be required
Operating Company Equity	Stock awards or other company ownership
Phantom Carry	Provides participants with a phantom or synthetic interest in investment profits in excess of a specified return, typically in alternative investments such as private equity or hedge funds. Participants do not have actual ownership in investment profits, and this does not qualify for capital gains tax treatment
Phantom Equity	Provides participants some of the benefits of stock ownership without actually giving them any company stock, sometimes referred to as “shadow stock”

Metrics Used in Determining LTI Awards

Portfolio performance and individual performance were reported as the most-used LTI award metrics. Plan designs may connect annual incentive plan metrics, long-term performance measures and discretionary family priorities.



Understanding Compensation Market Data

COMPENSATION:

Drivers

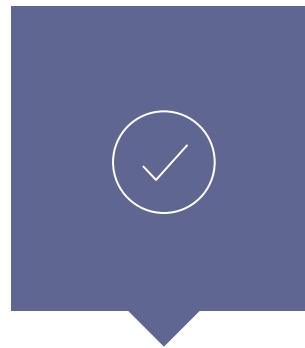
Compensation is a significant expense for family offices, requiring careful review.

Providing compensation that is appropriate for the level of responsibility and is competitive from both an industry and geographic perspective is key to recruiting and retaining family office staff.

What drives compensation in a family office? As in most companies, compensation opportunity is a function of:

COMPETITIVE MARKET

- Geography
- Industries with which you compete for talent

**PERFORMANCE**

- The individual in the role
- The team
- The family office
- The investment portfolio

OFFICE/FIRM CHARACTERISTICS

- Firm size and complexity (breadth of services, staff size, etc.)
- Assets under management (size, scope of asset classes, etc.)
- Family and compensation philosophy

**THE POSITION ITSELF**

- Level of responsibility
- Scope of position
- Decision-making authority

COMPENSATION:

Components

The components included in an individual's compensation package can vary considerably, even within a family office, based on several factors.

Level of the Position

Strategic positions generally have more components, and more risk

Focus of the Role

Operations versus investments versus administration versus household

Sophistication of Infrastructure

Some family offices/families are better equipped to establish annual incentive targets and metrics versus paying discretionary, subjective bonuses

Smaller family offices or staff roles generally have less complex programs in comparison to larger family offices.

However, this may not hold true in all cases.

Typical compensation structures in a family office consist of:



COMPENSATION:

Understanding Market Data

Market data should be viewed as guidelines and used in conjunction with other drivers to determine appropriate compensation levels. It should also be noted that benchmarking incorporates degrees of “art and science.”

- Quite often, the data available does not allow for precise matching for every individual’s exact circumstances, such as education, years of experience, etc.
- Whether or not to apply a discount or a premium to market data for any individual role versus the benchmark data requires organizational knowledge and understanding of the role.

There are a number of circumstances that can impact how much an incumbent is paid in relation to the market data, including:

- An employee is newly promoted into a position → below-median compensation may be appropriate given their limited experience performing at the new level.
- A candidate has specialized skills, knowledge and experience that make them uniquely qualified for a position → above-market compensation may be warranted, and necessary, to attract and retain the candidate.

If an individual’s compensation is above or below market median, or the family’s compensation philosophy/targeted market position, it should not be assumed that the incumbent is over or underpaid.

COMPENSATION:

Methodology

Data Considerations and Presentation

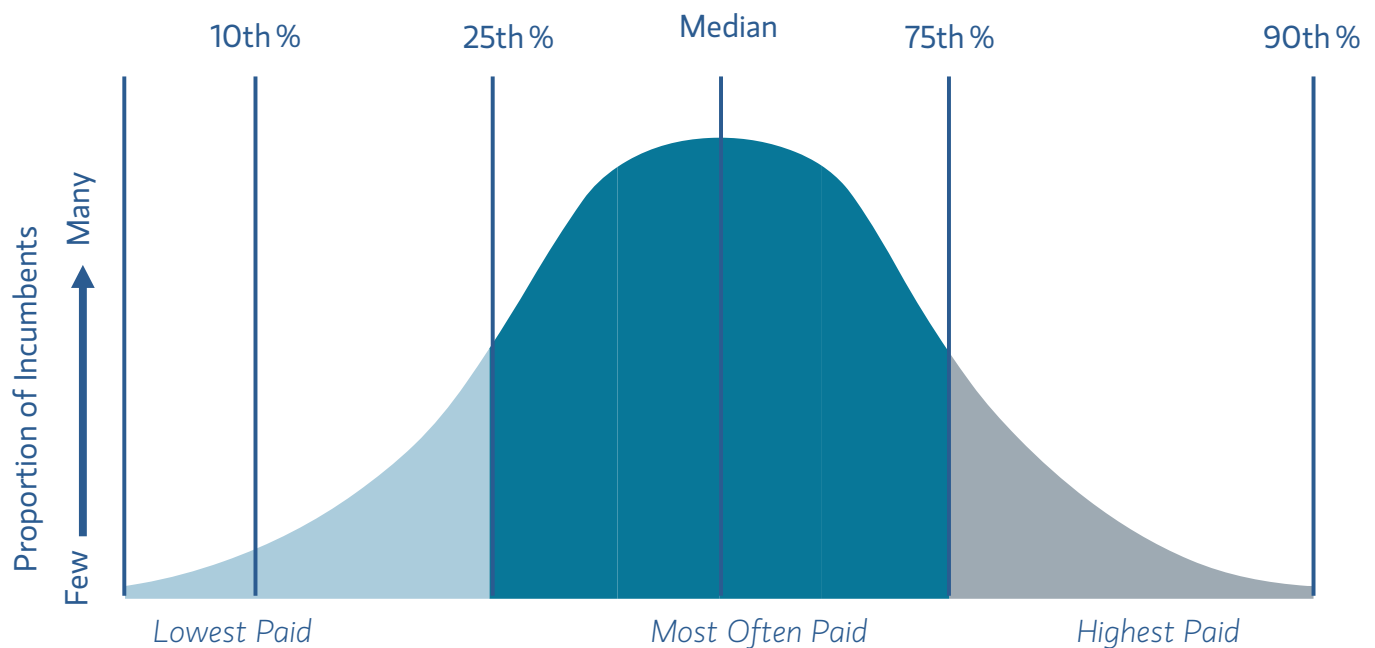
A range of market data is presented from the 25th to the 75th percentiles for the following compensation components for each role:

- Base salary
- Total cash compensation (base + bonus)
- Total direct compensation (base + bonus + long-term incentive)

When viewing market data percentiles, consider the following:

- The range around market median represents where most are paid
- There are fewer instances as you move to the lower or upper quartiles of the market

MARKET PERCENTILES



Generally, a range of +/- 20% above or below market median is considered competitive. This concept can also be applied to the family office compensation strategy, or targeted market position.

COMPENSATION:

Geographic

Geographic Considerations

Across all industries, compensation levels in most U.S. cities fall within 5% of the national average.

Family offices typically recruit executives and senior professionals from a national labor pool, resulting in less downward pressure on compensation in areas where lower-level roles may fall below the national average. Staff roles typically reflect a more local or regional labor market and may reflect both higher and lower differentials than executives and senior professionals.

There are some exceptionally high-cost-of-living locations where premiums are common. In these regions, the geographic differential for staff-level jobs may often be higher than for executives.

Geographic Differentials

As survey data is not sufficient to calculate local market differentials across roles, we compared broader national compensation data from investment and professional services firms to cities where the majority of our participants are located.* Premiums are not consistent from city to city, so it is important to understand practices within a local market.

These premiums listed below are presented to assist family offices in determining how the national survey data in this survey can be adjusted for various locations. The locations only include those metropolitan areas with variances of more than 5% from the national average.

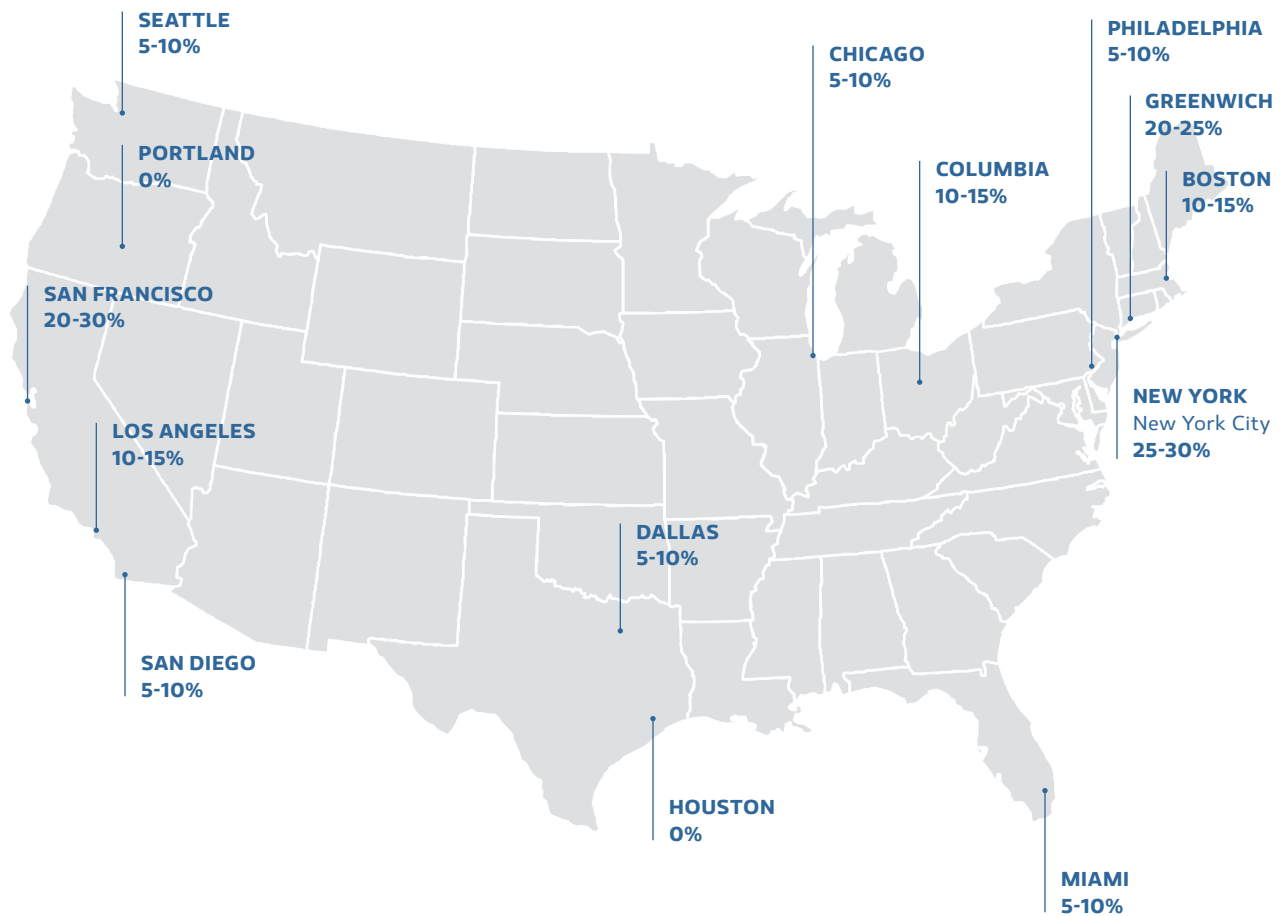
City	Executive/ Management	Staff
Boston	10% - 15%	15% - 20%
Chicago	5% - 10%	5% - 10%
Dallas	5% - 10%	5% - 10%
District of Columbia	10% - 15%	15% - 20%
Greenwich/Stamford	20% - 25%	20% - 25%
Houston	0%	5% - 10%
Los Angeles	10% - 15%	10% - 15%

City	Executive/ Management	Staff
Miami	5% - 10%	0%
New York City	25% - 30%	25% - 30%
Philadelphia	5% - 10%	10% - 15%
Portland	0%	5% - 10%
San Diego	5% - 10%	10% - 15%
San Francisco	25% - 30%	30% - 35%
Seattle	10% - 15%	10% - 15%

*ERI, Economic Research Institute, Inc.

COMPENSATION:

Geographic



Compensation Detail by Position

Market Data

Chief Executive Officer — Non-Family Member

Chief Executive Officer/President: This senior-most officer is responsible for setting strategy and overall direction. The CEO oversees management of the family office staff, and serves as the primary liaison with the family.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$350,000	\$476,200	\$766,900
Total Cash Compensation	\$511,000	\$772,500	\$1,315,000
Total Direct Compensation	\$529,000	\$800,500	\$1,385,800

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$300,000	\$340,000	\$425,000
Total Cash Compensation	\$350,000	\$450,000	\$565,000
Total Direct Compensation	\$400,000	\$476,000	\$572,000

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$361,300	\$445,000	\$538,600
Total Cash Compensation	\$510,500	\$626,400	\$924,400
Total Direct Compensation	\$557,700	\$681,400	\$936,100

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$450,000	\$500,000	\$800,000
Total Cash Compensation	\$703,000	\$965,000	\$1,510,000
Total Direct Compensation	\$750,000	\$1,072,500	\$1,511,100

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$708,200	\$1,000,000	\$1,275,000
Total Cash Compensation	\$1,183,300	\$1,597,500	\$2,249,500
Total Direct Compensation	\$1,183,300	\$2,000,000	\$2,381,300

Market Data

Chief Financial Officer

Chief Financial Officer: This top financial position is responsible for formulating financial policy and plans. The Chief Financial Officer provides overall direction for the tax, insurance, budget, credit and treasury functions, and ensures that financial transactions, policies and procedures meet the organization's short- and long-term objectives, and regulatory body requirements. The position typically reports to the CEO/President, or it may be the most senior family office position reporting to the family or board.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$225,000	\$286,300	\$393,800
Total Cash Compensation	\$300,000	\$400,000	\$573,800
Total Direct Compensation	\$302,500	\$410,000	\$645,800

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$179,800	\$231,500	\$261,300
Total Cash Compensation	\$214,800	\$277,000	\$379,000
Total Direct Compensation	\$214,800	\$290,600	\$379,000

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$201,300	\$300,000	\$386,000
Total Cash Compensation	\$340,000	\$475,000	\$630,000
Total Direct Compensation	\$340,000	\$563,000	\$650,000

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$250,000	\$296,300	\$377,500
Total Cash Compensation	\$370,800	\$432,500	\$638,700
Total Direct Compensation	\$388,800	\$442,500	\$638,700

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$290,000	\$367,900	\$446,300
Total Cash Compensation	\$350,000	\$460,000	\$621,700
Total Direct Compensation	\$393,800	\$496,000	\$710,200

Market Data

Chief Investment Officer

Chief Investment Officer: This executive-level position is responsible for the family's investment strategy, buys and sells, and the hiring of new managers. The Chief Investment Officer sources potential strategic investment opportunities, understands and manages the portfolio of assets, devises strategies for growth, and manages all investment-related relationships. The Chief Investment Officer also manages the internal investment team, which may be responsible for direct investing in private and/or public equities. The position may report to the CEO/President, family principal or family office board.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$331,500	\$500,000	\$627,000
Total Cash Compensation	\$567,500	\$900,800	\$1,167,500
Total Direct Compensation	\$678,500	\$963,400	\$1,439,800

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$198,800	\$300,000	\$306,500
Total Cash Compensation	\$311,800	\$331,500	\$424,000
Total Direct Compensation	\$315,800	\$398,000	\$579,700

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$293,300	\$500,000	\$623,500
Total Cash Compensation	\$505,800	\$700,000	\$972,600
Total Direct Compensation	\$559,000	\$700,000	\$1,022,600

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$427,800	\$500,000	\$600,000
Total Cash Compensation	\$718,800	\$932,800	\$1,075,900
Total Direct Compensation	\$777,500	\$962,500	\$1,304,300

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$481,800	\$552,500	\$1,000,000
Total Cash Compensation	\$913,500	\$1,157,500	\$1,790,300
Total Direct Compensation	\$1,187,400	\$1,500,000	\$2,241,200

Market Data

Chief Operating Officer

Chief Operating Officer: This senior position directs, coordinates and administers all aspects of the family office operations in compliance with established policies and strategy. The chief operating officer has responsibility for, or influences, the development of policies regarding operations, and may also have direct oversight of staff functions, such as legal, technology and human resources. The position typically reports to the CEO/President.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$250,000	\$340,000	\$400,000
Total Cash Compensation	\$350,000	\$408,000	\$597,000
Total Direct Compensation	\$350,000	\$416,000	\$657,300

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$200,000	\$226,600	\$365,000
Total Cash Compensation	\$250,000	\$360,000	\$375,800
Total Direct Compensation	\$250,000	\$360,000	\$408,000

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$245,000	\$283,500	\$350,000
Total Cash Compensation	\$346,900	\$389,500	\$431,300
Total Direct Compensation	\$346,900	\$389,500	\$431,300

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$275,000	\$350,000	\$458,000
Total Cash Compensation	\$372,500	\$485,000	\$777,400
Total Direct Compensation	\$372,500	\$530,000	\$873,100

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$275,000	\$381,600	\$500,000
Total Cash Compensation	\$386,000	\$590,000	\$830,000
Total Direct Compensation	\$386,000	\$666,000	\$1,150,000

Market Data

Chief Legal Officer/General Counsel

Chief Legal Officer/General Counsel: The family office's senior in-house lawyer advises on routine legal matters, reviews investment and management structures, and oversees outside counsel regarding tax, estate planning, insurance and other issues. This position typically reports to the CEO/President.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$286,000	\$331,400	\$450,000
Total Cash Compensation	\$361,900	\$480,000	\$652,500
Total Direct Compensation	\$393,900	\$500,000	\$751,200

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$286,500	\$325,000	\$350,000
Total Cash Compensation	\$336,500	\$375,000	\$437,500
Total Direct Compensation	\$349,800	\$414,200	\$443,800

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$240,100	\$325,000	\$375,000
Total Cash Compensation	\$247,500	\$425,000	\$550,000
Total Direct Compensation	\$247,500	\$425,000	\$550,000

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$275,000	\$300,000	\$325,000
Total Cash Compensation	\$362,000	\$400,000	\$519,800
Total Direct Compensation	\$362,000	\$500,000	\$600,000

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$416,000	\$450,000	\$600,000
Total Cash Compensation	\$520,000	\$655,000	\$850,000
Total Direct Compensation	\$520,000	\$776,000	\$850,000

Market Data

Senior Portfolio Manager

Senior Portfolio Manager: These seasoned investment professionals are responsible for the day-to-day management of investments for a specific group of clients across a mix of investment vehicles. They are charged with implementing investment strategy, conducting due diligence on managers or direct investments, and making recommendations. They may also provide research and input on strategic and tactical asset allocation guidelines for the portfolio. They normally have at least 10 years of relevant experience and report to the CIO.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$220,200	\$290,000	\$395,600
Total Cash Compensation	\$286,000	\$490,300	\$650,000
Total Direct Compensation	\$326,300	\$500,000	\$806,400

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	*	\$245,000	*
Total Cash Compensation	*	\$260,000	*
Total Direct Compensation	*	\$320,000	*

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$157,200	\$175,700	\$266,300
Total Cash Compensation	\$223,100	\$289,500	\$538,300
Total Direct Compensation	\$223,100	\$295,700	\$538,300

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$224,100	\$250,000	\$300,400
Total Cash Compensation	\$276,700	\$353,000	\$490,300
Total Direct Compensation	\$335,800	\$353,000	\$500,000

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$337,500	\$400,000	\$500,000
Total Cash Compensation	\$562,500	\$652,500	\$995,000
Total Direct Compensation	\$701,300	\$812,500	\$1,055,000

* Insufficient data to report

Market Data

Portfolio Manager

Portfolio Manager: These experienced investment professionals work under the direction of a CIO or senior managers. They assist in selecting, monitoring and managing investment managers or direct investments, and provide input in developing risk and asset class guidelines. They may also compile and analyze investment performance data and conduct special investment performance research studies.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$199,400	\$200,000	\$300,000
Total Cash Compensation	\$247,300	\$345,000	\$631,200
Total Direct Compensation	\$247,300	\$360,000	\$753,500

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	*	*	*
Total Cash Compensation	*	*	*
Total Direct Compensation	*	*	*

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$173,500	\$200,000	\$300,000
Total Cash Compensation	\$174,500	\$320,000	\$500,000
Total Direct Compensation	\$174,500	\$320,000	\$500,000

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$186,000	\$206,000	\$300,000
Total Cash Compensation	\$231,300	\$345,000	\$360,000
Total Direct Compensation	\$231,300	\$360,000	\$460,000

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$200,000	\$200,000	\$253,100
Total Cash Compensation	\$252,500	\$500,000	\$791,000
Total Direct Compensation	\$252,500	\$625,000	\$921,800

* Insufficient data to report

Market Data

Senior Investment Analyst

Senior Investment Analyst: Providing direct support to Portfolio Managers, these professionals monitor fund investments and/or direct investments. They analyze statistical and other data at an advanced level to support deal sourcing and due diligence of investment opportunities. They typically have an MBA or equivalent business experience with at least two years of post-MBA-relevant experience.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$146,800	\$170,000	\$200,000
Total Cash Compensation	\$186,100	\$246,000	\$420,000
Total Direct Compensation	\$186,100	\$262,000	\$420,000

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$160,000	\$170,000	\$180,000
Total Cash Compensation	\$212,000	\$225,000	\$265,000
Total Direct Compensation	\$212,000	\$225,000	\$265,000

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$113,500	\$137,000	\$167,500
Total Cash Compensation	\$129,500	\$165,600	\$229,500
Total Direct Compensation	\$129,500	\$165,600	\$229,500

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$139,000	\$159,500	\$193,800
Total Cash Compensation	\$170,800	\$207,000	\$333,800
Total Direct Compensation	\$170,800	\$214,500	\$333,800

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$171,300	\$187,500	\$200,000
Total Cash Compensation	\$285,000	\$522,500	\$576,300
Total Direct Compensation	\$320,000	\$540,000	\$608,000

Market Data

Investment Analyst

Investment Analyst: These entry-level investment professionals focus on compiling performance data and completing less complex analysis, working under direct supervision of more senior investment team members. They support the process of selecting, monitoring and managing investment managers and/or direct investments by analyzing investment performance data.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$81,800	\$100,000	\$132,500
Total Cash Compensation	\$93,400	\$135,500	\$172,000
Total Direct Compensation	\$93,400	\$135,500	\$177,000

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	*	*	*
Total Cash Compensation	*	*	*
Total Direct Compensation	*	*	*

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$80,500	\$92,500	\$103,800
Total Cash Compensation	\$90,000	\$111,800	\$154,800
Total Direct Compensation	\$90,000	\$111,800	\$154,800

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$96,000	\$105,000	\$127,500
Total Cash Compensation	\$98,500	\$150,000	\$160,800
Total Direct Compensation	\$98,500	\$150,000	\$168,300

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$81,600	\$110,000	\$144,700
Total Cash Compensation	\$93,500	\$145,000	\$177,700
Total Direct Compensation	\$93,500	\$145,000	\$177,700

* Insufficient data to report

Market Data

Controller

Controller: A professional charged with overseeing accounting, budgeting and facilitation of relationships with lawyers, prime brokers and tax advisors. This position typically reports to CFO.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$138,500	\$160,000	\$192,300
Total Cash Compensation	\$152,700	\$185,000	\$230,000
Total Direct Compensation	\$152,700	\$185,000	\$230,000

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$111,300	\$155,000	\$177,500
Total Cash Compensation	\$130,000	\$177,500	\$220,800
Total Direct Compensation	\$130,000	\$177,500	\$220,800

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$142,300	\$155,000	\$170,000
Total Cash Compensation	\$174,800	\$184,500	\$210,800
Total Direct Compensation	\$174,800	\$184,500	\$210,800

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$140,900	\$150,000	\$172,500
Total Cash Compensation	\$152,000	\$177,000	\$219,300
Total Direct Compensation	\$152,000	\$177,000	\$219,300

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$185,000	\$193,000	\$225,000
Total Cash Compensation	\$191,000	\$241,500	\$325,000
Total Direct Compensation	\$191,000	\$241,500	\$355,000

Market Data

Finance Director

Finance Director: With primary responsibility for all financial functions, this professional directs financial policies, planning, reporting and controls. This position typically reports to the CFO.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$135,800	\$166,700	\$204,600
Total Cash Compensation	\$153,300	\$226,000	\$287,300
Total Direct Compensation	\$159,300	\$226,000	\$287,300

Market Data

Tax Director

Tax Director: This professional is primarily responsible for tax planning and compliance for all office entities, and oversees relationship management for related outside advisors, vendors and internal tax staff. This position typically reports to the CFO.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$127,000	\$195,800	\$247,500
Total Cash Compensation	\$145,600	\$221,500	\$354,700
Total Direct Compensation	\$145,600	\$221,500	\$354,700

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$117,500	\$160,000	\$210,300
Total Cash Compensation	\$136,500	\$189,000	\$243,600
Total Direct Compensation	\$136,500	\$189,000	\$243,600

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$145,400	\$158,200	\$192,500
Total Cash Compensation	\$172,000	\$190,900	\$238,500
Total Direct Compensation	\$172,000	\$190,900	\$238,500

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$129,600	\$204,500	\$278,200
Total Cash Compensation	\$143,700	\$214,500	\$430,800
Total Direct Compensation	\$143,700	\$214,500	\$430,800

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$232,500	\$240,000	\$337,500
Total Cash Compensation	\$346,500	\$520,000	\$587,500
Total Direct Compensation	\$346,500	\$520,000	\$650,500

Market Data

Accounting Director

Accounting Director: This professional directs the office's accounting policies and procedures. This position is primarily responsible for accounting operations, systems, analysis and reporting, and typically reports to the CFO.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$120,000	\$136,500	\$180,000
Total Cash Compensation	\$138,600	\$171,600	\$277,500
Total Direct Compensation	\$138,600	\$171,600	\$277,500

Less Than \$500 Million	25th %tile	Median	75th %tile
Base Salary	\$105,000	\$110,000	\$128,000
Total Cash Compensation	\$114,000	\$126,000	\$158,500
Total Direct Compensation	\$114,000	\$126,000	\$158,500

\$500 Million - \$999 Million	25th %tile	Median	75th %tile
Base Salary	\$111,500	\$120,000	\$150,000
Total Cash Compensation	\$133,000	\$172,500	\$203,400
Total Direct Compensation	\$133,000	\$172,500	\$203,400

\$1 Billion - \$2.49 Billion	25th %tile	Median	75th %tile
Base Salary	\$123,500	\$170,000	\$268,800
Total Cash Compensation	\$141,300	\$208,800	\$394,800
Total Direct Compensation	\$141,300	\$208,800	\$400,100

More Than \$2.5 Billion	25th %tile	Median	75th %tile
Base Salary	\$149,000	\$172,500	\$221,300
Total Cash Compensation	\$168,700	\$280,000	\$320,000
Total Direct Compensation	\$168,700	\$280,000	\$320,000

Market Data

Head of Security

Head of Security: This specialist is responsible for protective programs, including personal protection, residence, event security, transportation (ground, air and maritime), protocol, personal assistance and special projects.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$125,000	\$187,500	\$276,300
Total Cash Compensation	\$153,800	\$237,500	\$319,800
Total Direct Compensation	\$153,800	\$237,500	\$319,800

Market Data

Head of Technology

Head of Technology: This is the senior management team member in charge of the family's/family office's technology platforms and IT security. This position identifies and supports current and future information technology requirements, and proactively identifies, prioritizes and implements appropriate information technology, infrastructure and security.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$136,300	\$150,000	\$228,300
Total Cash Compensation	\$145,000	\$180,000	\$273,100
Total Direct Compensation	\$145,000	\$180,000	\$273,100

Market Data

Family Liaison/Relationship Manager

Family Liaison/Relationship Manager: This is a seasoned family office team member who manages the family office relationship with, and the needs of, specific family members. The Family Liaison/Relationship Manager identifies and implements education and development opportunities for family members, and understands and resolves challenges and issues confronting the family. They are expected to anticipate and proactively prepare for future issues and priorities, and serves as a counselor and key partner to the family and family office.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$134,000	\$178,500	\$312,500
Total Cash Compensation	\$149,000	\$232,500	\$343,500
Total Direct Compensation	\$149,000	\$232,500	\$388,000

Market Data

Executive Assistant to CEO

Executive Assistant: This professional supports the executive in a staff capacity by handling a wide variety of situations involving the administrative functions of the office that cannot be brought to the attention of the executive.

ALL ORGANIZATIONS	25th %tile	Median	75th %tile
Base Salary	\$70,000	\$82,300	\$100,000
Total Cash Compensation	\$75,000	\$90,600	\$113,800
Total Direct Compensation	\$76,200	\$90,600	\$113,800

About Morgan Stanley Private Wealth Management

Morgan Stanley Private Wealth Management is the division within Morgan Stanley Wealth Management that is exclusively focused on the ultra high net worth client segment. By providing advice founded on a culture of excellence and driven by global insight, Morgan Stanley Private Wealth Management is devoted to helping clients preserve and grow their financial, family and social capital.

Family Office Resources offers an expansive suite of specialized services to enhance our ultra high net worth capabilities. Delivering the tactical expertise of specialists across a broad range of wealth management disciplines, Family Office Resources helps our affluent clients address the complex multigenerational challenges of managing significant wealth. In addition to the Single Family Office Advisory, capabilities within Family Office Resources include specialty services such as estate planning strategies, family governance, wealth education, philanthropy management, lifestyle advisory, insurance solutions, trust services, cash management and liquidity solutions, portfolio construction, and wealth analytics. Specialists are also available to help families create and implement efficient philanthropic and wealth transfer strategies, develop successful and harmonious decision making processes, and prepare younger generations to successfully manage their wealth in the future.

To learn more, please visit www.morganstanley.com/PWM or contact SFOadvisory@morganstanley.com.

About Botoff Consulting

The firm was founded in 2014 to provide independent, customized solutions that serve the needs of our family office, family enterprise, philanthropic and for-profit clients with foundations in and across industries and geographies. We focus on providing compensation, benefits and related strategic advisory consulting services.

Our diverse, experienced team of consultants brings not only a deep array of insights, but also a long history of working together—enabling us to build on one another's strengths to deliver industry-leading compensation consulting resources. Our extensive expertise includes compensation benchmarking, strategy and structure, benefits analysis and benchmarking, compensation structure, incentive plan design, performance management, compensation governance, and board support, as well as litigation/expert witness support.

We combine proprietary research with well known, third-party data resources to deliver bespoke, in depth analyses and effective, aligned compensation plans. With senior consulting resources on both the east and west coasts, we serve U.S. and global clients.

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