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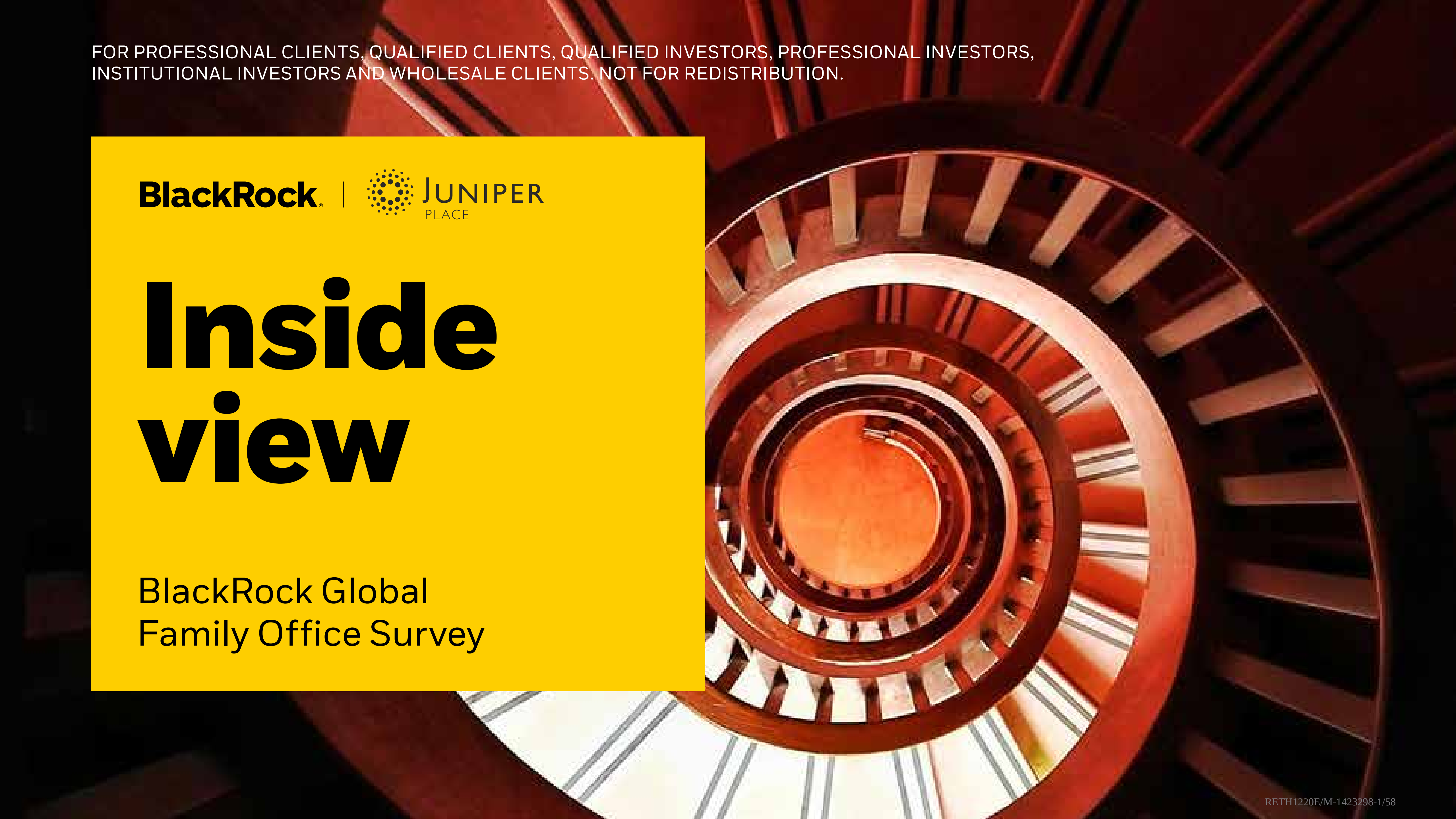

BlackRock | Juniper Place

Inside view

BlackRock Global Family Office Survey

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Foreword

Sheryl Needham

Managing Director, EMEA Head of Family Offices, BlackRock

Paul Harvey

Founder and CEO, Juniper Place

We welcome you to the inaugural BlackRock Global Family Office Survey.

At BlackRock we place emphasis on the needs of the Family Office community, with experts in over 25 markets entrusting us with over USD$50bn of Family Office assets. We seek to deliver more than just investment solutions to our clients; we aim to partner and share our collective intelligence – be that thought leadership and market insights or actively cultivating a network and ecosystem through introductions and dedicated Family Office events.

With the severe health and economic crisis, 2020 was a year like no other, presenting investors with both challenges and opportunities. Against this backdrop BlackRock and Juniper Place are delighted to have partnered to learn more about the experiences and plans of 185 Family Offices across the globe.

All Family Offices are unique, and this is reflected in how they have responded to the crisis.”

All Family Offices are unique, and this is reflected in how they have responded to the crisis. However, through this survey and the in-depth interviews we conducted, we have identified three key themes.

> Firstly, Family Office portfolios have proved resilient during this period of uncertainty but there are growing concerns, particularly around geographical diversification, equity valuations, liquidity needs and the spectre of inflation.
>
> Second, alternatives continue to be a key focus for clients seeking diversification and to potentially enhance returns.
>
> Finally, whilst extensive adoption is still limited, Family Offices are increasingly exploring sustainable investment strategies. There is a recognition there may not be a need to sacrifice financial returns in order to do so and there is greater interest and pressure from the next generation of family members to better reflect their values.

Throughout this report we explore each of these themes further as well as provide views and insights from BlackRock’s Investment Institute for Family Offices to consider as we move into 2021.

BlackRock and Juniper Place are delighted to have partnered to learn more about the experiences and plans of 185 Family Offices across the globe."

We would like to thank all the Family Offices that participated in our survey and interviews for their time and willingness to share their knowledge and views with us and the broader Family Office community. Through our conversations we noted that the pandemic has elevated the desire for collaboration and a more structured community of Family Offices.

We hope these findings are insightful and we look forward to engaging with you on these topics, amongst others, going forward.

Yours faithfully,

Sheryl Needham
Managing Director, EMEA Head of Family Offices, BlackRock

Paul Harvey
Founder and CEO, Juniper Place

Executive summary

01

Market outlook: resilience in the face of uncertainty

Our survey indicated that despite a challenging economic outlook, few Family Offices felt the need for material change to their portfolio. Many Family Offices cited their long-term investment horizon and high allocations to alternatives as the driver of this. However, Family Offices have growing concerns particularly around diversification, equity valuations, liquidity needs and the spectre of inflation. The BlackRock Investment Institute would argue that the nature of the crisis and its long-term implications warrant a review of asset allocations.

02

Asset allocation: the growing importance of alternatives

Despite challenges, private equity remains the alternative investment of choice. Private debt, real estate and infrastructure are all seen as capable of generating long-term yields.

Hedge funds appear to be enjoying a resurgence as many recognise that they could be well placed to profit from a more volatile and dispersed environment.

03

Sustainable investing: from interest to action

80% of Family Offices are engaged in some form of sustainable investing and the trend looks set to continue. This is driven by the values of the next generation of family members alongside heightened public awareness.

Our survey indicates Family Offices believe that sustainable products no longer require compromising investment returns. However, addressing the remaining hurdles of education and the absence of common impact measurement methodologies could lead to more widespread integration.

01

Market outlook: resilience in the face of uncertainty

Key observations:

In uncertain markets, Family Offices have been relatively unflustered, with only 23% anticipating making material portfolio changes. Their outlook is cautious to marginally negative.

Many Family Offices indicated that their portfolios have proven resilient during recent turbulence but their concerns over portfolio diversification are growing, and new challenges have arisen.

Given the need to diversify portfolios and access economic growth beyond core markets, Family Offices stated they will place greater emphasis on geographical diversification, and particularly China going forward.

Uncertainty prevails within most markets. The economic ramifications of the initial Covid-19 shock in March 2020 are still being felt.

Investors need strategies to navigate these markets, to protect their wealth and position for recovery over the long-term. Family Offices, just like other institutions globally, are re-evaluating, yet they believe they can bide their time.

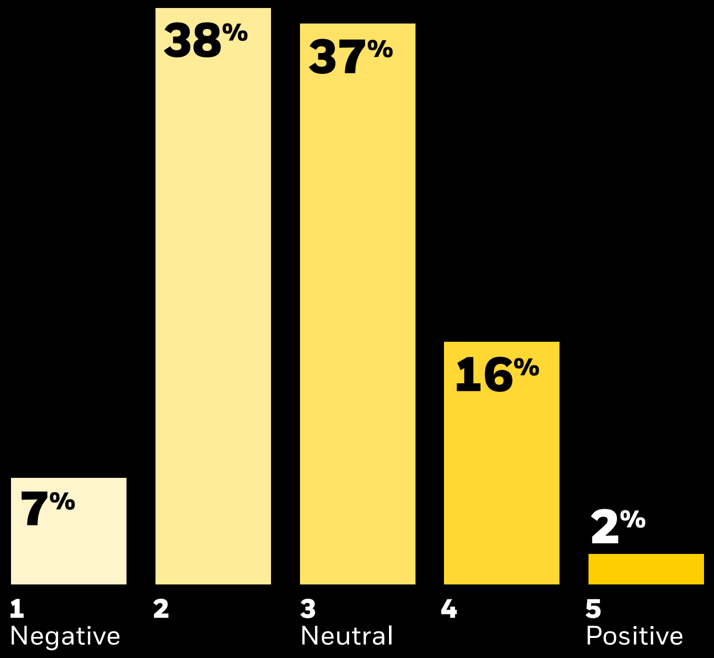
Our survey shows that 37% of Family Offices describe their outlook as neutral or cautious, while 38% are slightly negative in their view on markets.

Whilst general sentiment is uneasy, just 23% intend to make material changes to their asset allocation.

This number masks significant regional variation; North American and EMEA investors appear reasonably content with only 17% and 18% respectively desiring change. In contrast 53% of Asian Family Offices intend to re-allocate, which seems to be driven by a greater weighting to fixed income and more clarity on local equity market recovery.

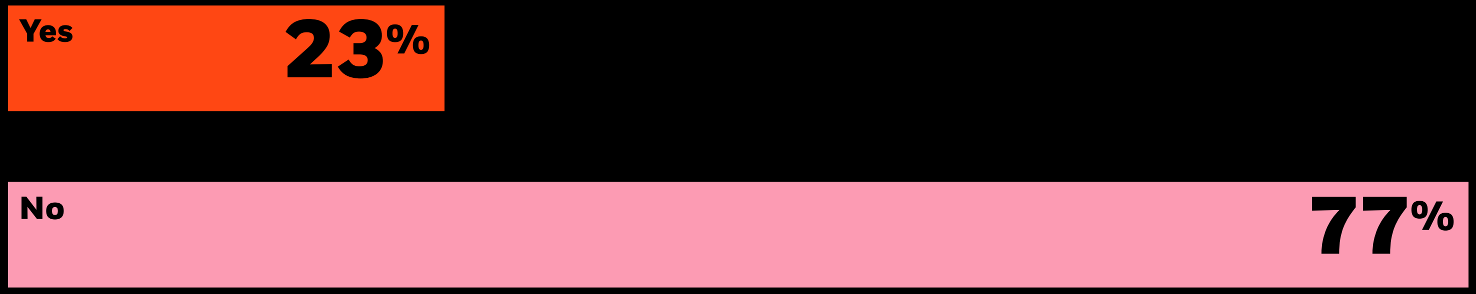
The survey responses clearly show that many feel their portfolios are sufficiently diversified and focused. Therefore they are less concerned about short term volatility.

How would you describe your outlook on markets?



Source: BlackRock Global Family Office Survey, August 2020

Taking this into account, do you intend to make material changes to your asset allocation?



Source: BlackRock Global Family Office Survey, August 2020

BlackRock view

We believe the Covid-19 pandemic is creating a new normal by changing or accelerating structural trends, necessitating a review of investors' asset allocations.

The emerging deglobalisation trend and the blurring of fiscal and monetary policies will have a long lasting and material impact on economic growth, interest rates and corporate fundamentals.

This is, and will continue to impact asset prices on a multi-year basis.

Therefore this needs to be addressed within the strategic asset allocation design rather than just through tactical shifts.

We believe that even investors with long-term investment horizons would benefit from reviewing their strategic asset allocation to ensure it takes account of a different macro environment emerging in the new normal and a higher degree of uncertainty in future estimates of asset class returns.

Amongst the smaller group of Family Offices that intend to make changes, 47.5% intend to rebalance in order to retain key risk exposures.

A further 12.5% are treating the coming months as an opportunity to re-risk the portfolio.

An increasing number of Family Offices are looking at opportunities to capitalise on market dislocation as an attractive entry point.

70% of these are focusing on investments in alternative asset classes. This sentiment around opportunism is reinforced by comments from a Scandinavian Family Office, who contrasted the firm's approach now with their response to the global financial crisis of 2008:

> “Our thoughts looking back to that period is that we were not opportunistic enough!”
>
> **Scandinavian Family Office**

With that said, Family Offices noted new challenges in the wake of Covid-19, and the crisis' amplification of others that were apparent prior to its onset.

So, what is keeping them up at night? Four key themes were clear from the survey and our interviews:

1. Portfolio diversification
2. Liquidity management
3. Global equity market valuations
4. Inflation

1.

Portfolio diversification

Family Offices' primary diversification concerns relate to traditional asset classes and to geographical diversification.

Most Family Offices interviewed questioned the merits of holding low-yielding bonds, as they are perceived to be moving more in synch with equities, diminishing their diversification benefits.

The CIO of a Swiss Family Office commented:

> "When the US 10 Year Treasury was yielding 3.5-4%, you were clipping a nice coupon. Today, high-quality sovereign bonds are exceptionally expensive. Something like 60% of sovereign bonds in the developed world are trading at negative yields Consequently, fixed income is going to give you nothing. In fact, it is most likely going to lose you money."

The main diversifying action we have observed from Family Offices is even greater allocations to alternatives.

Private debt, real estate and hedge funds have been highlighted by Family Offices as their preferred way to achieve greater diversification. Further, Family Offices are re-considering where they can make the most impact from geographical diversification.

Current levels of international diversification are meaningful:

- A third allocate more than 75% internationally, but the data shows considerable regional disparity.
- EMEA Family Offices invest on average 70% of their portfolio internationally.
- Those in Latin America and Asia commit 63% to international investments.

In stark contrast, North American Family Offices commit a mere 28%. This is partly because the US is a large component of global indices, but also because many North American Family Offices feel there is sufficient liquidity, quality and deal flow within their domestic market.

Whilst North American Family Offices do not intend to reduce their domestic allocations going forward, 30% intend to increase Asian exposure, predominantly at the expense of Latin American allocations.

All other regions intend to materially grow their Asian exposure at the expense of their broader international exposure, marking out Asia as their most attractive geographical diversifier.

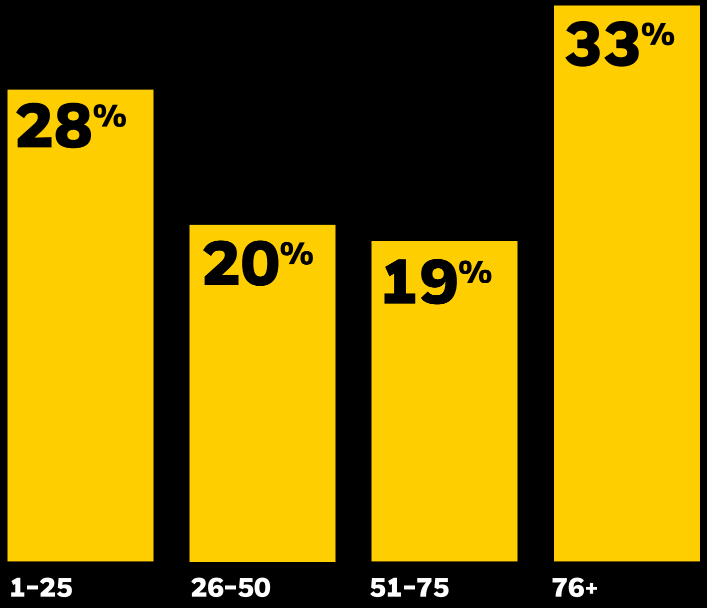
Importantly, China is seen by 85% of Family Offices as an investment opportunity that is distinct from the rest of Asia. Chinese equities, both onshore and offshore, are equally appealing to investors. Family Offices generally lack in-house investment expertise in Chinese assets and therefore seek partners with on the ground resources.

“

Do I think that we are moving inexorably towards a bipolar world where you have a US sphere of influence and a Chinese sphere of influence? Yes, that might well be happening. In which case, I want us to have a foot in both camps. I don’t want us to be exclusively one rather than the other.”

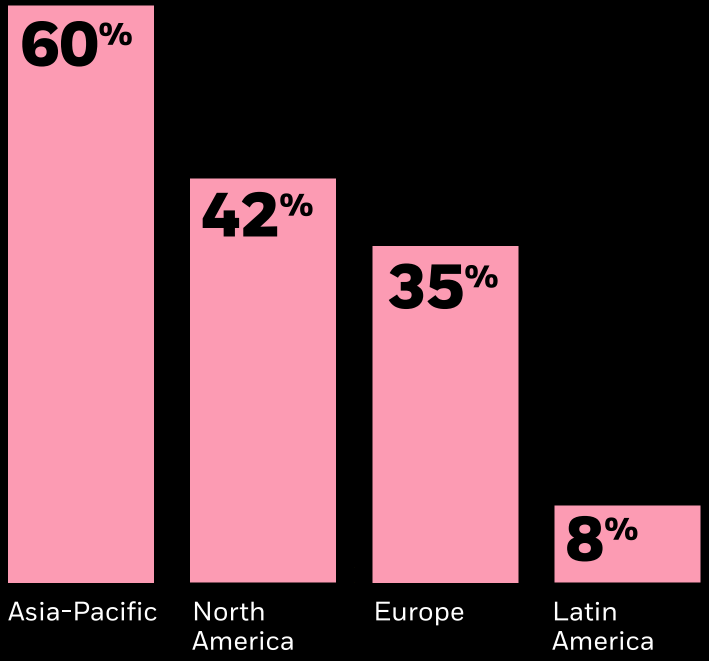
Swiss Family Office CIO

What proportion of your existing portfolio is invested internationally (%)?



Source: BlackRock Global Family Office Survey, August 2020

Which regions do you anticipate increasing your exposure to?



Source: BlackRock Global Family Office Survey, August 2020. Respondents could select up to two responses.

As the world's second largest economy, do you consider China as an investment option distinct from the rest of Asia?

Source: BlackRock Global Family Office Survey, August 2020

BlackRock view

The Covid-19 outbreak has derailed economic growth globally, and it remains unclear what the full implication of the pandemic will be.

Traditional forms of diversification in portfolios continue to be limited thanks to trends of low or negative yields as well as challenging correlations between equities and fixed income.

As investors seek growth and income while building diversification, the consideration of an allocation to Chinese equities and bonds in portfolios is now more vital than ever.

At BlackRock, we believe China is a market increasingly hard to ignore.

Over a 5, 10 and 20-year time horizon our proprietary capital markets assumptions indicate China to be the highest returning region across public equities.

The volatility of Chinese equities has decreased over the last few decades and the asset class is more independent and less correlated than other equity markets. However, it is important to note; Chinese equities remain more volatile and higher risk then other developed markets. We also believe Chinese government bonds offer diversification benefits as they move independently of other developed market government bonds.

Our capital market assumptions are based on data as at 30th September 2020. We use a proprietary model which incorporates macroeconomic, market and risk premium data accoss a range of scenarios to forecast expected returns for each asset class. All returns assumptions are total nominal and in USD.

2.

Liquidity management

Despite their long-term investment horizon, Family Offices often need to manage liquidity to meet their underlying operating business needs, investment schedules and family expenses.

The pandemic has heightened these needs and added a layer of market uncertainty.

Several Family Office referenced managing cash flow as their most significant challenge, resulting in a re-positioning of their investment portfolio.

Within the investment portfolio, managing the cash flow for private equity capital commitments is a major challenge. At the best of times this is difficult to model but the pandemic has made this harder. Exit valuations and outcomes are challenged and holding periods naturally extend in the face of market volatility and uncertainty.

One Family Office in Latin America stated the need to:

> "Carefully define the exit strategies of each investment, to make sure that we have the liquidity that we need for the future."

Another European Family Office described how they are paying close attention to the pace of their commitments for private investments to account for the current environment.

Whilst private equity firms can be opportunistic, generally the deployment pace has slowed as the selection bar has risen, increasing the complexity of liquidity management during this period.

Finally, a number of Family Offices are prioritising liquidity from a more forward-looking perspective. Some view this environment as a chance to be opportunistic, seeking to capitalise on anticipated volatility.

3.

Global equity market valuations

The impact of Central Bank liquidity injections on equity valuations has been the subject of much Family Office debate. Many believe that this liquidity has obscured the true health of corporates and equity markets within which much dispersion lies.

A Latin American Family explained their rationale for significantly reducing equity exposure as:

> "the disconnect between public markets and real economies, that will eventually catch up."

Many pointed to concerns around US equity valuations. Some, including the Head of a UK Family Office, commented that there is a:

> "narrow breadth of performing equities."

This quickly leads to investors crowding around the same companies, raising questions around the sustainability of their performance.

BlackRock view

Broadly, given richer valuation, a challenging backdrop for earnings and dividend pay-outs, we are neutral on equities on a strategic horizon. Within our Blackrock Investment Institute, we have a modest underweight in developed markets equities and a tilt toward emerging markets equities, which is largely driven by our positive view on China.

More specifically, recently and through this survey, we have had many clients raise concerns about the technology sector. We believe it is important to put the sector valuations in context. The fact technology company valuations are sitting at near all-time highs reflects how critical the sector has become to the functioning of various industries and the economy over the last 15 years.

The strong relative performance of many technology companies year-to-date has been underpinned by strong and accelerating fundamentals as the Covid-19 pandemic has augmented consumer and enterprise adoption of various technologies.

We believe these changes in demand and behaviour are likely to be persistent over the longer term, which should be supportive of sustained growth for the technology sector going forward.

4.

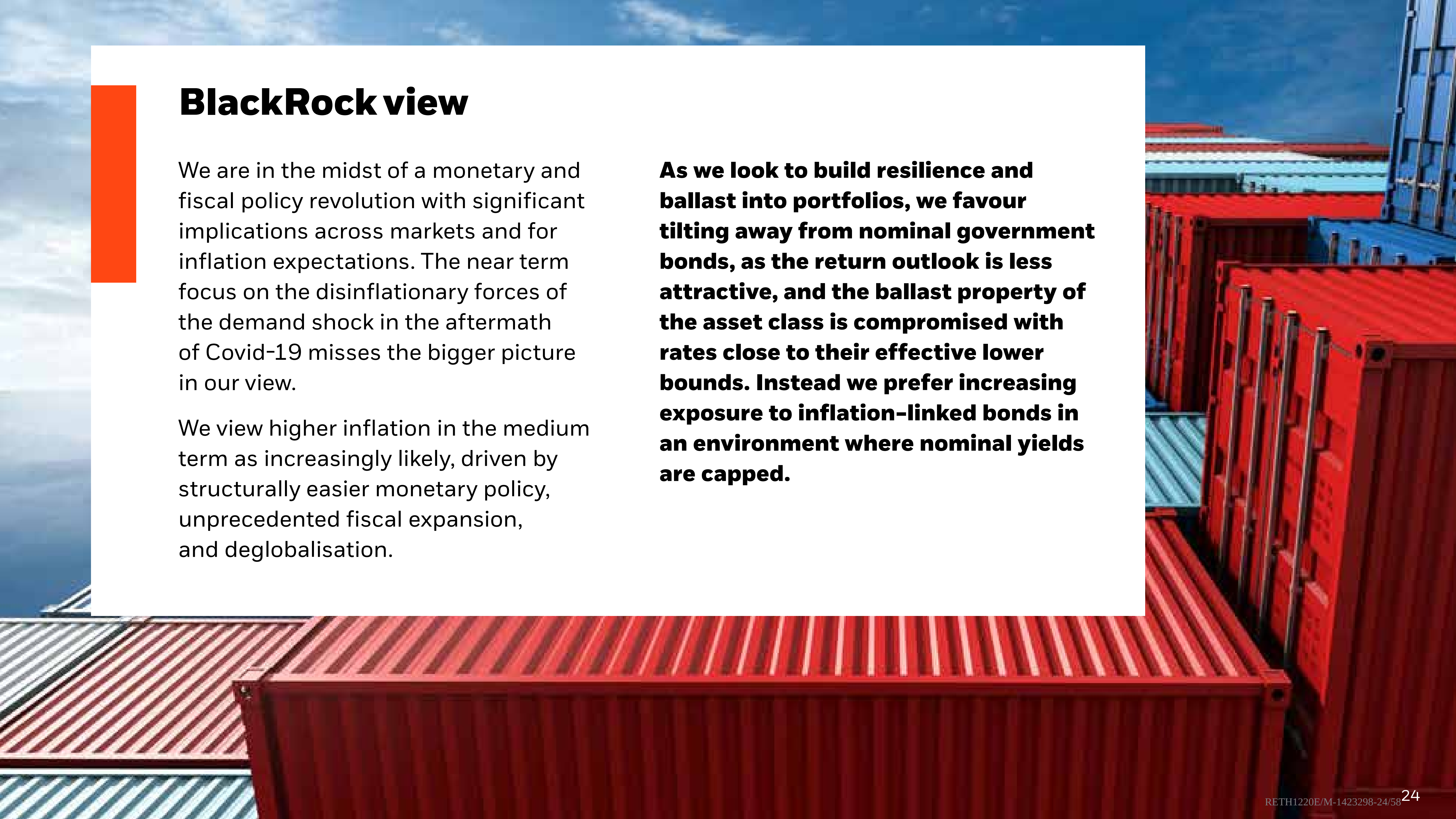
Inflation

The threat of inflation is beginning to command greater attention from Family Office CIOs as they look ahead to the longer term ramifications of the extraordinary fiscal and monetary stimulus injected into economies around the globe during this crisis.

The Head of a Family Office in Latin America highlighted their concerns:

> “We know that the initial shock to markets was deflationary. But if you push too much back with the stimulus, there is real danger of inflation in the future.”

Our interviews revealed Family Offices are paying more attention to inflation-hedging assets including gold, inflation-linked bonds and real assets such as real estate and infrastructure.



BlackRock view

We are in the midst of a monetary and fiscal policy revolution with significant implications across markets and for inflation expectations. The near term focus on the disinflationary forces of the demand shock in the aftermath of Covid-19 misses the bigger picture in our view.

We view higher inflation in the medium term as increasingly likely, driven by structurally easier monetary policy, unprecedented fiscal expansion, and deglobalisation.

As we look to build resilience and ballast into portfolios, we favour tilting away from nominal government bonds, as the return outlook is less attractive, and the ballast property of the asset class is compromised with rates close to their effective lower bounds. Instead we prefer increasing exposure to inflation-linked bonds in an environment where nominal yields are capped.

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02

Asset allocation: the growing importance of alternatives

Key observations:

Given their long-term investment horizon, Family Offices actively look to exploit the illiquidity and other risk premia provided by alternative asset classes.

Private equity and private debt are key areas of focus for Family Offices, with many looking to increase their allocations, driven by the perceived attractiveness of the current entry point in dislocated markets.

Many Family Offices noted they are focusing once more on hedge fund strategies as they contemplate their risk-adjusted returns in more volatile market conditions.

On average, Family Offices allocate approximately 35% of their portfolios to alternative asset classes.

This is marginally lower than the 40% allocation in BlackRock's Model Family Office Portfolio, which is derived from our proprietary capital market assumptions.

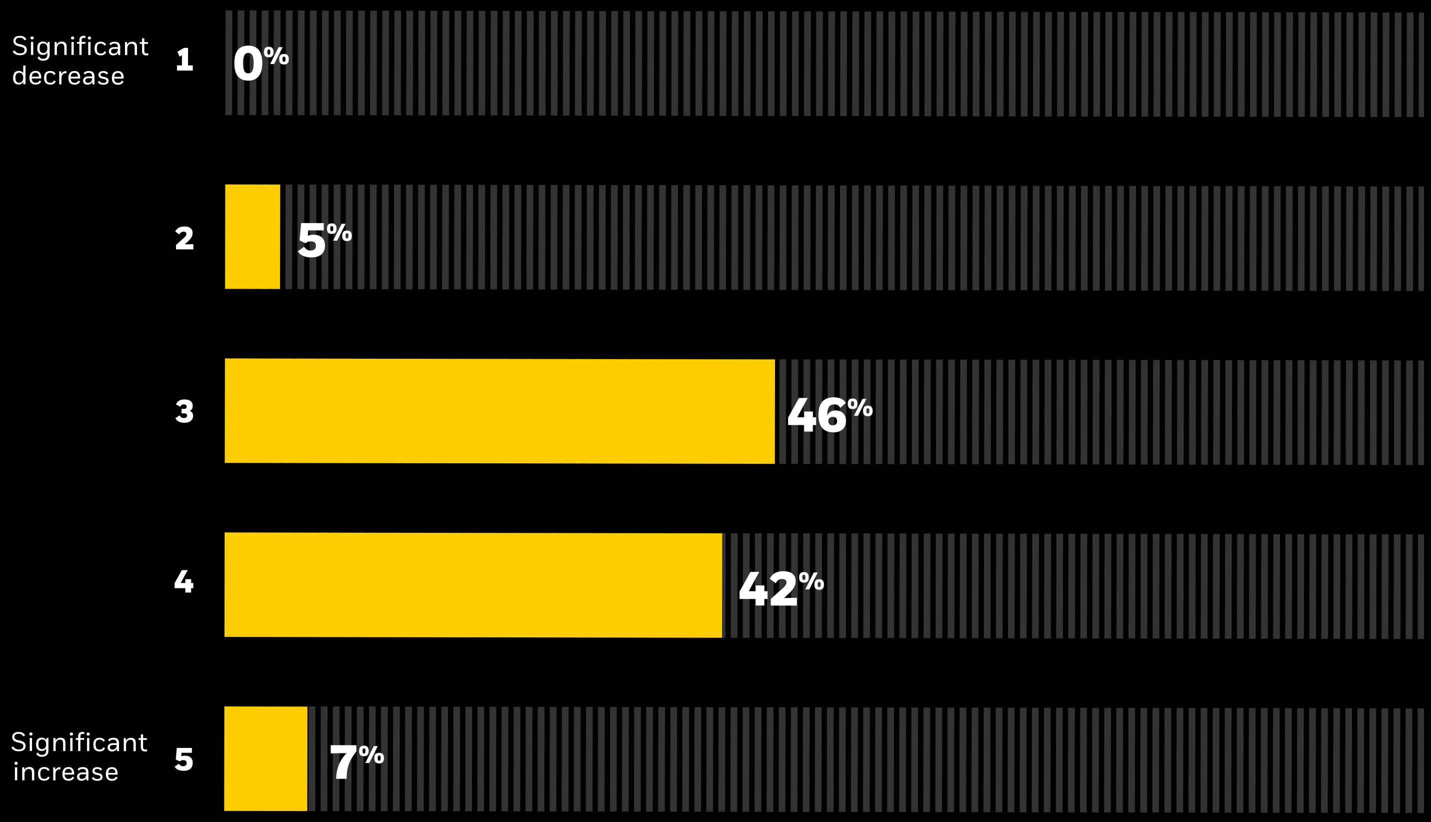
Analysis conducted by our BlackRock Investment Institute in March 2019, using data from over 3500 private markets funds in the Preqin data base between June 2007- December 2012, indicates that liquidity risk is often overestimated by investors relative to their spending needs. The analysis studied private equity allocations and simulated cash flows (in USD) around the global financial crisis to evaluate what combinations of private holdings and cash outflows would have led to liquidity problems during the stressed market environment. Whilst Preqin data base does not cover the full market we believe it is representative to allow us to derive valid insights.

We recognise the ultimate sizing of private markets allocations is highly dependent on investor specific objectives. Nevertheless, based on our research we believe Family Offices with an income requirement of less than 5% per annum could potentially tolerate higher allocations to illiquid assets, up to 40%. We estimate that a 40% illiquid holding together with a 5% income requirement has a less than 5% probability of causing liquidity problems, defined as a holding of less than 2 years of spending needs in public assets.

The survey highlighted that Family Offices are seeking to increase their exposure to alternatives.

Private equity and debt are the most favoured areas, but many see interesting opportunities across the full spectrum of alternative asset classes, indicating a more diversified approach going forward.

How do you anticipate your allocation to alternatives will change over the next 5-10 years?



Source: BlackRock Global Family Office Survey, August 2020

Private equity

Our survey data shows it is most common for Family Offices to allocate 10-25% of their portfolio to private equity.

55% of Family Offices reported they expect to grow their exposure to this asset class.

Family Offices acknowledge they cannot time entry points and it is important to pursue a programme of vintage diversification. However, many believe market dislocations could provide an attractive entry point for the current vintage and are looking to exploit this.

As the Covid-19 pandemic is accelerating many structural trends, over 60% of Family Offices indicated that technology and healthcare are the most appealing sectors. Consumer businesses capable of transitioning to a digital strategy and distressed opportunities also featured prominently.

Over 75% of the Family Offices surveyed invest through funds. Many indicated fund investments provide access to specialist expertise and deal flow. This enables Family Offices to complement fund investments with co-investments (60%), secondaries (55%) and where resources permit, direct investments (40%).

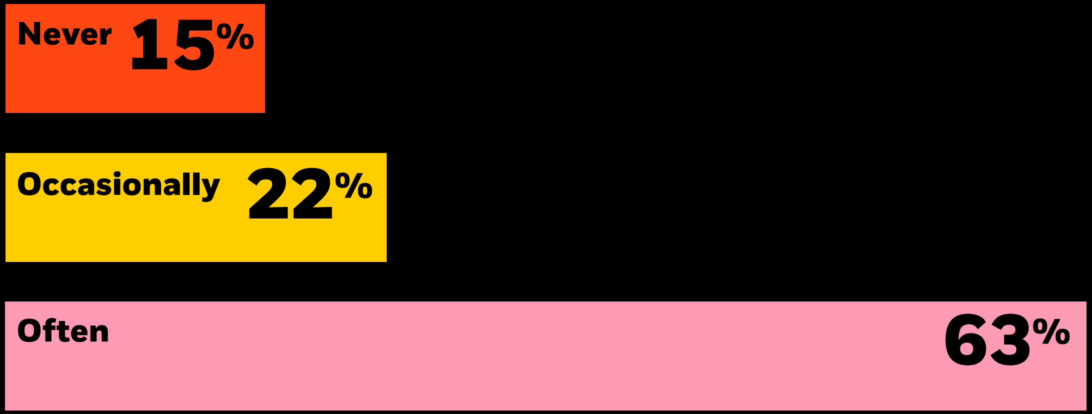
Unlike many institutional investors, Family Offices acknowledged a willingness to engage with first time funds, citing their potential for outperformance and strong alignment of interest.

Nearly two thirds (63%) declared an openness to investing with first vintage funds. Co-investments especially appeal to Family Offices as they offer the potential upside of direct investing without the responsibility of deal-sourcing and due diligence.

Yet, some noted that supply is less consistent and that there needs to be sufficient diversification to manage risk within the portfolio. Working with the right partners is therefore an important consideration.

Private equity investing has challenges and risks. Family Offices remain unhappy with the fees and are increasingly concerned about correlations with other asset classes. 35% noted a concern with managing capital calls in an uncertain environment with heightened liquidity needs.

Would you consider allocating to first vintage funds?



Source: BlackRock Global Family Office Survey, August 2020

Private debt

Private debt was the second most popular asset class, with 40% stipulated this would be a future focus for them. Many stated they are seeking enhanced yields and alternatives to public fixed income allocations.

Our survey suggested 75% of Family Offices looking to increase their exposure are attracted by the potential to profit from dislocated markets. Discussions during interviews focused on the low interest environment creating an opportunity for re-financing at more favourable terms, alongside heightened needs from over leveraged and covenant constrained corporates.

> "We have been able to rotate capital, to take advantage of some of this distress we've seen in the market. Ultimately, there are businesses out there that need recapitalising. If this persists much longer, I think private credit has a very important role to play."

Family Office allocations to private debt are relatively modest (87% of Family Offices allocate 10% or less to private debt), but two thirds indicated they intend to increase their exposure in the future.

In terms of strategies, there continues to be a clear preference for direct lending (74%), but given the current climate, this is now closely followed by distressed and special situations (58%).

Hedge funds

Family Offices are once again paying close attention to hedge funds. Our survey indicates that recent market turmoil and the expectation of sustained volatility in the medium term has re-invigorated hedge fund appeal.

Going forward, 38% intend to increase their exposure to the asset class, while all others intend to maintain their exposure at its current level – strong indication of a reversal of the negative sentiment that we have observed in recent years.

Through our interviews many Family Offices noted that their interest in hedge funds has been driven by the desire for uncorrelated, enhanced risk-adjusted returns and a belief that a more volatile market could now be more conducive to strong performance.

Nearly 80% of Family Offices selected equity long/short as their preferred strategy in the current climate, reflecting the need to mitigate beta exposure. Other popular strategies were credit and distressed (selected by 47% and 41% of firms respectively), with an aim to capitalise from credit market dislocation.

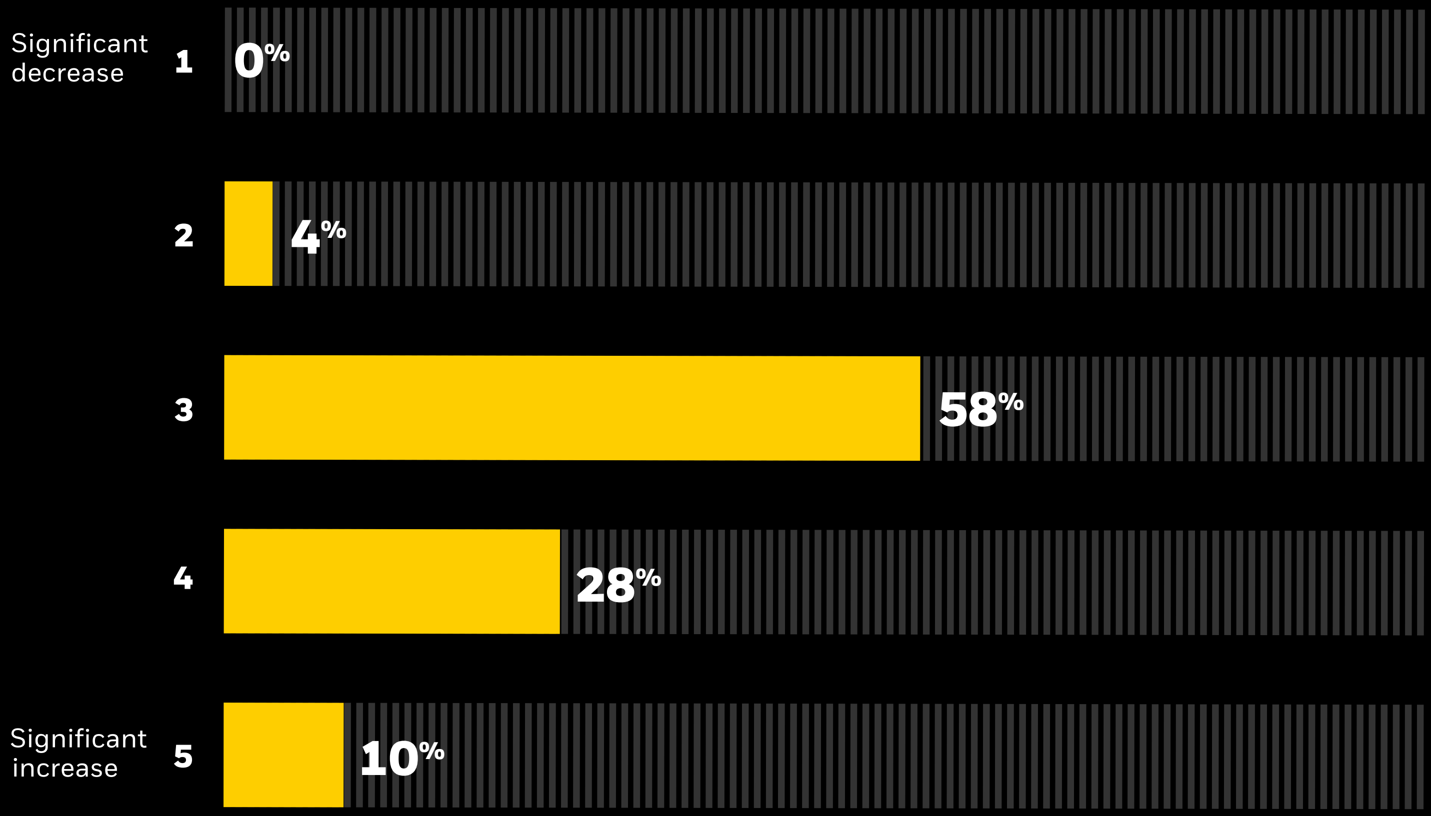
Several Family Offices also indicate a shift in how they are utilising hedge funds within their portfolio. Some have constructed low volatility hedge fund portfolios to act as a diversifier or as a substitute for fixed income.

As explained by the Head of a European Family Office:

> “In our case it is a defensive component of our portfolio and as such is a conservative, low-volatility hedge fund programme.”

What is clear is that hedge funds appear to be back on the Family Office agenda.

How do you intend to change your allocation to hedge funds in the coming year?



Source: BlackRock Global Family Office Survey, August 2020

Real estate

Real estate is characteristically a stable component of most Family Office portfolios, representing on average 10-25% of their overall portfolio.

Many cite the tangible nature of the asset class as well as a steady income stream and portfolio diversification as key attractive characteristics.

However, real estate has come under stress in today's environment with the economic fallout of the Covid-19 pandemic.

There is a widening gap between sectoral winners and losers, with the pandemic benefitting logistics, multifamily and data centres at the clear expense of discretionary retail and hospitality.

Despite this backdrop, 40% of Family Offices expect to increase their real estate allocation in the coming months as they look for attractive buying opportunities.

We also see Family Offices increasingly looking to diversify their real estate portfolio across regional markets to seek best relative value.

Whilst the majority (62%) invest directly into real estate assets, where they do not have regional presence or knowledge they prefer to leverage specialist expertise and invest through primary funds.

Typically, Family Offices are focused on higher risk strategies where there is potential for higher returns hence value add (61%), and opportunistic investments (53%) prove the most popular.

Infrastructure

Infrastructure currently represents a relatively modest component of Family Office portfolios with 56% of those investing having an exposure of 5% or less.

Yet, there is a clear upward trend for infrastructure. 62% intend to increase their exposure, with that sentiment being most strongly expressed in EMEA.

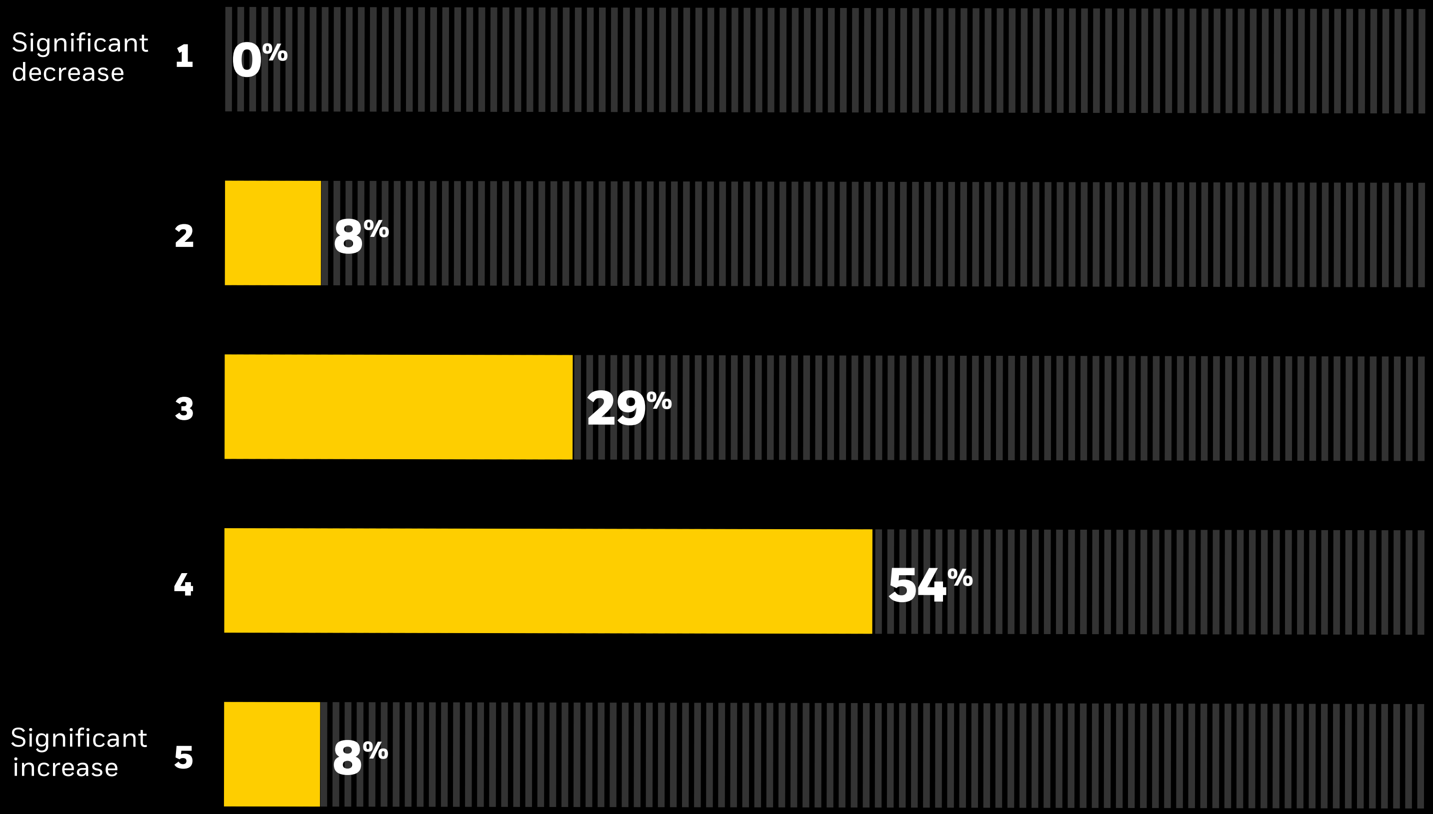
This demand appears to be driven firstly, by a desire for potential stable and consistent cash flows, at a point in the cycle when other traditional asset classes struggling to deliver this. Secondly, by opportunities which are arising from increased government support and investment.

As one Family Office in the UK put it:

> "We like it as an asset class; it now has more tailwinds from the investor community and government policy."

Clearly linked to this, renewable energy had the greatest demand. 79% of Family Offices expressed interest, citing low correlation to public markets and GDP, their perception that the sector has more resilient attributes than others and its appeal from an impact perspective.

How do you anticipate your exposure to infrastructure might change in the coming year?



Source: BlackRock Global Family Office Survey, August 2020

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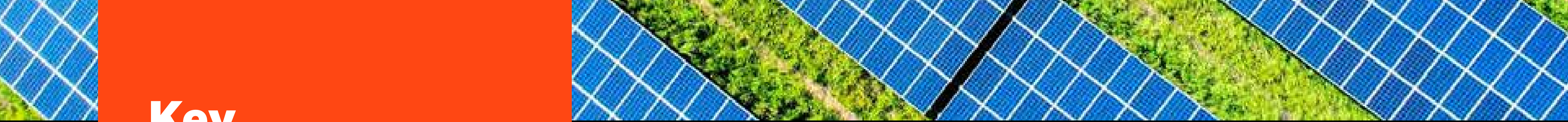
Sustainable investing: from interest to action



Key observations:

80% of Family Offices are now interested and engaging in some form of sustainable investment.

Family Offices are not driven by financial profit alone. Values and legacy also matter.

The next generation of family members are driving acceleration of this trend.

The need to compromise on performance is no longer perceived to be reality or a constraint.

There has been a lot of noise about Family Offices and their natural fit with sustainable investing.

Our survey revealed that much of that interest is now translating into action. This seems due to both generational pressure and increasing public awareness.

"We observe within our Family Office that profits alone or financial return alone for the next generation perhaps is not enough."

US Family Office CIO

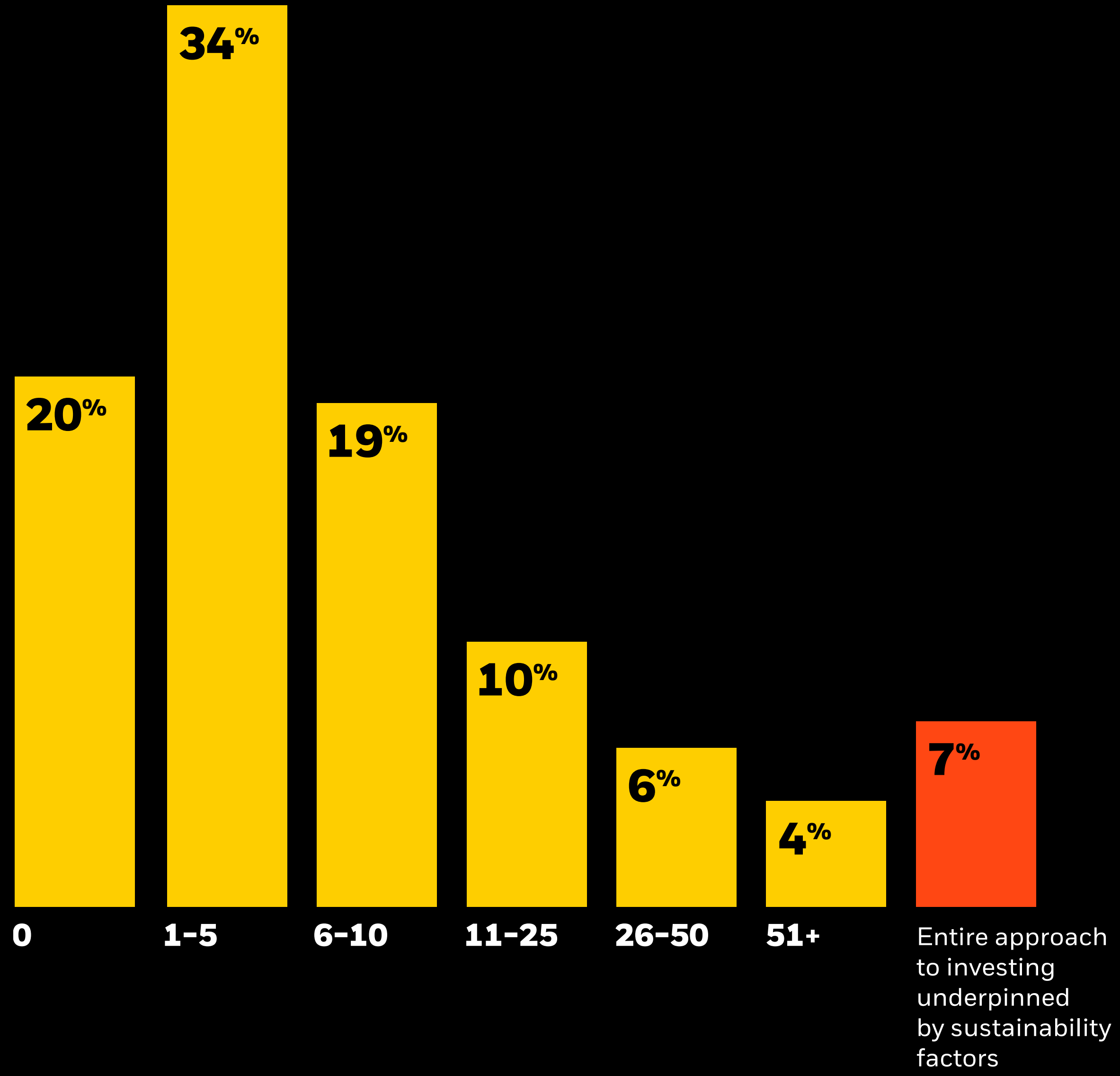
Our survey indicates that 80% of Family Offices now include some form of sustainable investing within their portfolio. The size of commitments to sustainable investments are still relatively small and there is much regional dispersion.

Sustainable investing is more prominent in EMEA with an average 22% invested in sustainable strategies, 14% in the US, 7% in Asia and a mere 3% in Latin America. This trend is likely to continue, with 75% of Family Offices expecting to increase their exposure in the coming year. In EMEA, this is most prominent.
Some Family Office CIOs noted they can use this opportunity to engage the next generation in Family Office affairs.

"Generational change is a concern. We want to get closer to the next generation and sustainable or impact investing may represent an opportunity to engage more meaningfully."
Latin American Family Office CEO

Of those Family Offices investing in sustainable strategies, 34% rely on exclusion policies, 56% use specific sustainable strategies and 38% have adopted sustainability as a key component of their investment risk assessment.

What proportion of your current portfolio is allocated to sustainable investments (%)?



Source: BlackRock Global Family Office Survey, August 2020

BlackRock view

We believe environmental, social and governance (ESG) issues have real financial implications and can materially impact the long-term sustainability of businesses.

Incorporating ESG data and insights within investment processes or portfolio design can lead to improved outcomes for our clients.

For example, in comparing traditional indices with ESG equivalents, BlackRock's Portfolio Analysis and Solutions team identified correlation between sustainability and traditional factors such as quality and low volatility, which historically have proved more resilient during periods of market volatility.

Increasingly there is acknowledgement that there may not need to be a trade-off between returns and core values.

59% of Family Offices do not believe they have to compromise at all to achieve their sustainable goals. This is aligned with our own views at BlackRock. In fact, we would go further to argue there is a fundamental point that is often overlooked with sustainable investing.

Whilst sustainable investment flows are in their early stages, we believe the full consequences of a shift to sustainable investing are not yet fully appreciated or priced into markets and a return advantage can be gained during what we envisage to be a lengthy transition.

Anecdotal evidence from our interviews tells us that historically most of the focus on sustainable strategies occurred within Family Foundations and Endowments.

"

One of the objectives of our Family Foundation is community investing. We are setting aside a portion of the portfolio for impact investing in the community. If we're able to achieve a sustainable level of return, then at one point, having that be the entire portfolio would be amazing."

US Family Office CEO

Several who have had success are now contemplating implementation more broadly across their core portfolios, further amplifying the impact of sustainable investing.

> "To some extent we compartmentalise our activity, our impact is therefore being felt via the foundation and through infrastructure investments within our core company. The question we are now evaluating is when to apply this methodology to our investment process."
> **European Family Office CEO**

There remain, however, some barriers to sustainable investing for Family Offices; namely the need for greater education and the need for a common language and impact measurement methodology.

As the Head of a Brazilian Family Office noted:

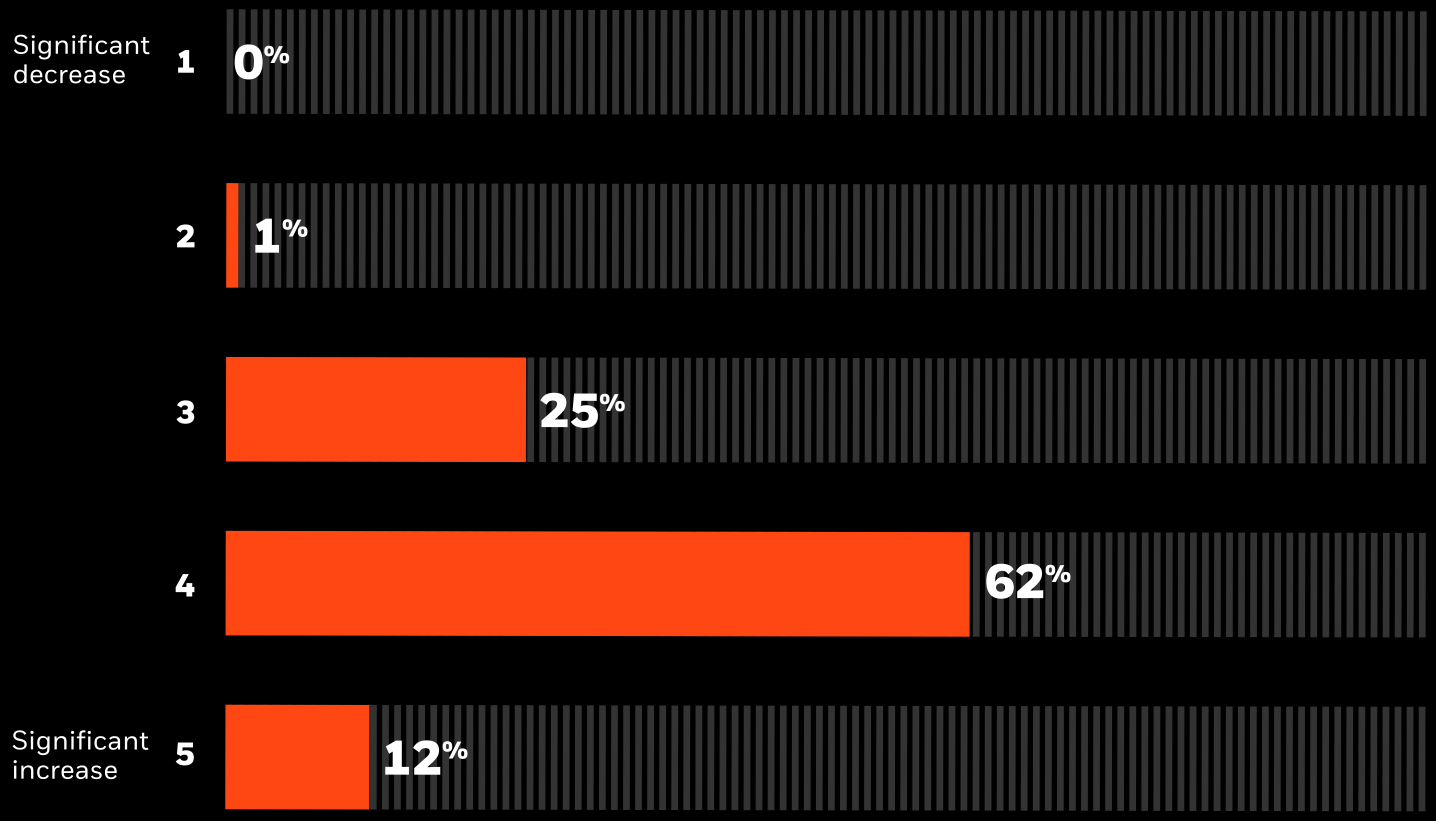
"There is a lack of a common framework in the industry right now, which makes the assessment of investment opportunities more difficult."

We also observed that Family Office interest in sustainable investing strategies accelerated during the Covid-19 crisis. Many indicated a heightened recognition of the needs of society, especially local communities, and the role that Family Offices can play in addressing them.

During our interview process, many Family Offices revealed a level of sustainable investing activity that goes beyond that captured by the data in our survey.

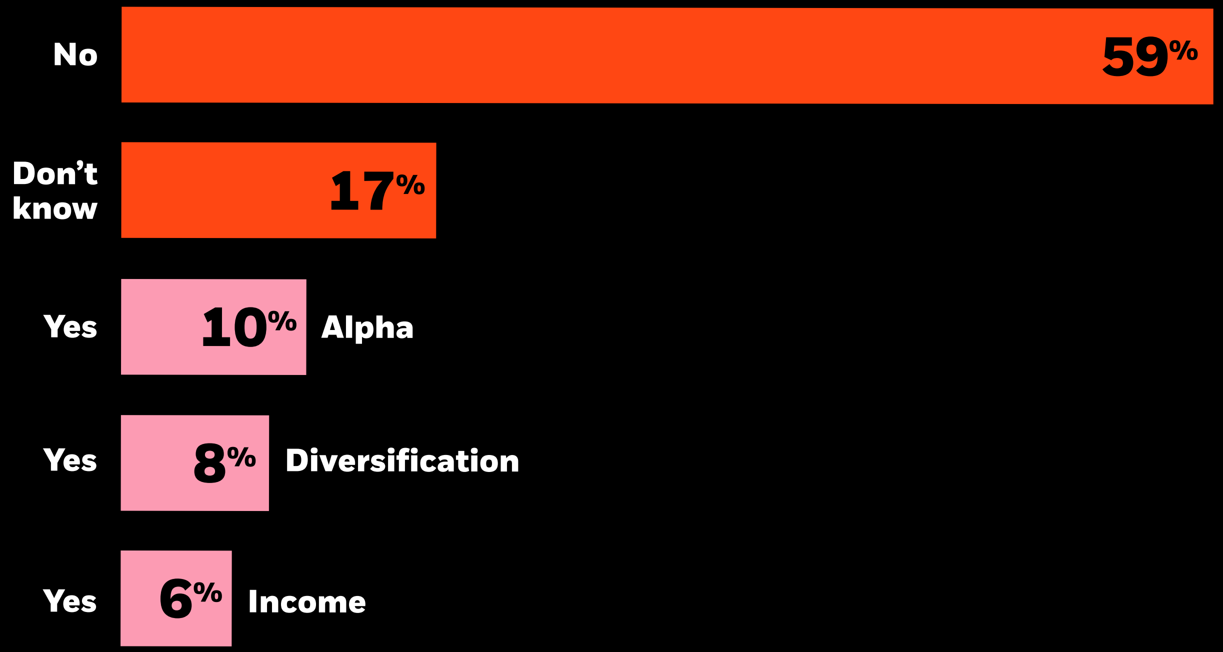
We believe that, on balance, Family Office sustainable investing has moved beyond mere intent and many will continue to focus on sustainable investing going forward.

How do you anticipate your exposure to sustainable investments will change in the coming year?



Source: BlackRock Global Family Office Survey, August 2020

Do you think that your firm has to compromise to achieve its sustainability goals?



Source: BlackRock Global Family Office Survey, August 2020

Concluding remarks

The timing of this report coincided with the height of the Covid-19 pandemic, catching those Family Offices we surveyed or interviewed at a moment of uncertainty and reflection.

The time we spent interviewing Family Offices around the globe proven particularly insightful. We found Family Offices willing to listen, openly share their thoughts on challenges and opportunities, and contemplate change.

We thank you for your time and look forward to sharing these observations more widely, either virtually or in person.

Thank you.

Sheryl Needham
Managing Director,
EMEA Head of Family Offices,
BlackRock

Paul Harvey
Founder and CEO,
Juniper Place

Methodology

The BlackRock Global Family Office Survey Report combines data aggregated from an extensive online survey completed by 185 Family Offices Globally as well as 20 in depth interviews with 20 Family Offices. These were conducted between July and August 2020 and all responses relate to that period.

In selected cases, we have supplemented this data with Family Office intelligence derived from both BlackRock and Juniper Place, an example being the model Family Office portfolio, derived from the work of the BlackRock Investment Institute in August 2020.

185 Global Family Office participants

20 Family Office interviews

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