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White Paper

The Great Global Wealth Transfer

July 2020

A note from our Executive Chairman

Some observers compare the impending Great Global Wealth Transfer (in other words, the transition of trillions of dollars of family wealth from baby boomers to their heirs) to the process of climate change – it's easy to ignore the issue in the short-term, but the consequences may eventually be huge. Although entirely different subject matters, I tend to agree with the analogy.

At the outset, I feel it important to highlight that baby boomers and millennials have starkly different expectations of wealth advisors and how their services are delivered. This impending wealth transfer therefore presents significant challenges for all types of wealth professionals, creating a clear challenge between practices that worked in the past or today and those that are likely to be viable in the future.

As such, the IQ-EQ team feel it is important to shine a spotlight on this Great Global Wealth Transfer and to analyse the trends and themes relating to ultra-high-net-worth (UHNW) families and their investments, from the tools and professional support that they use through to their changing investment interests and priorities. Important too to sharpen the focus on how the inheriting generation is different to the current one - all against the backdrop of the Great Global Wealth Transfer.

We believe that the consequences of this wealth transition will be significant. As with climate change, we are already starting to see those consequences, but by contrast I believe that the Great Global Wealth Transfer will have a much more positive impact.

Serge Krancenblum
Group Executive Chairman, IQ-EQ
Chairman, Luxembourg Association of Family Offices (LAFO)

Foreword

The next 20 years will see a seismic transition of wealth between generations. It will be unlike anything the world has seen before, both in terms of its size and the underlying trends and themes driving and shaping it.

We at IQ-EQ have been trusted partners in wealth preservation and succession for decades. We know that the world has changed which has caused some traditional models of wealth transition to be obsolete. The nature and unprecedented scale of the upcoming Great Global Wealth Transfer, and the unique drivers behind it, have precipitated demand within our industry for clearer insight into this shifting landscape to ensure client needs continue to be met.

As an active member of the global ecosystem that will help facilitate the Great Global Wealth Transfer, this signature report is our contribution to providing that important and much needed insight.

We engaged Wealth-X, a global leader in wealth information, to set the scene for us from a quantitative perspective. Over $15 trillion worth of assets are set to pass to the next generation over the next couple of decades; the composition and nature of which varies somewhat globally. Whilst the data shows that the total worldwide number of UHNW families is small, their proportional share of global wealth is high. The global UHNW population also has more complex fact patterns, which bring unique challenges for intergenerational wealth transfer.

We also collaborated with Barton Consulting to undertake qualitative industry analysis with a particular focus on the UHNW population, including in-depth interviews with a diverse group of global expert advisors, family offices and other intermediaries. The key themes that have emerged are global, though there are regional nuances, and all are intertwined. They include: the globalisation of families and their investments and the associated risks; a 'step up' in wealth governance via family offices; a shift in asset allocation in favour of more 'exciting' direct investment opportunities in private equity and venture capital; much greater focus on responsible investing and impact rather than traditional philanthropy; and increasing emphasis on technology. Also, no conversation these days seems complete without reflection on the likely impact of the current COVID-19 pandemic.

I would like to thank both Wealth-X and Barton Consulting for their crucial support in making this report a reality. To our readers, we hope you enjoy and find the insights useful - whether for your own family or the families you proudly represent or advise. Our hope is that the research and commentary contained herein will provide valuable support in facilitating the impending Great Global Wealth Transfer and ensuring family wealth is protected and enhanced for generations to come.

Steve Sokić
Group Head of Private Wealth, IQ-EQ

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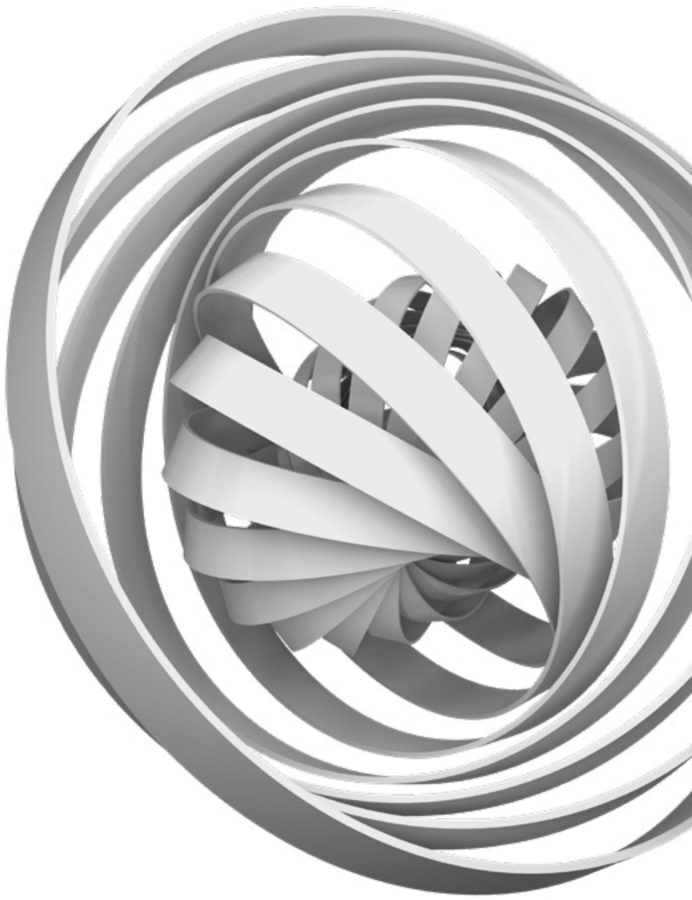


The great global wealth transfer

History has shown that passing on wealth has rarely been an easy task, but in today's increasingly complex world it can be extraordinarily challenging. It is most often the case that those with the greatest wealth face the greatest complications.

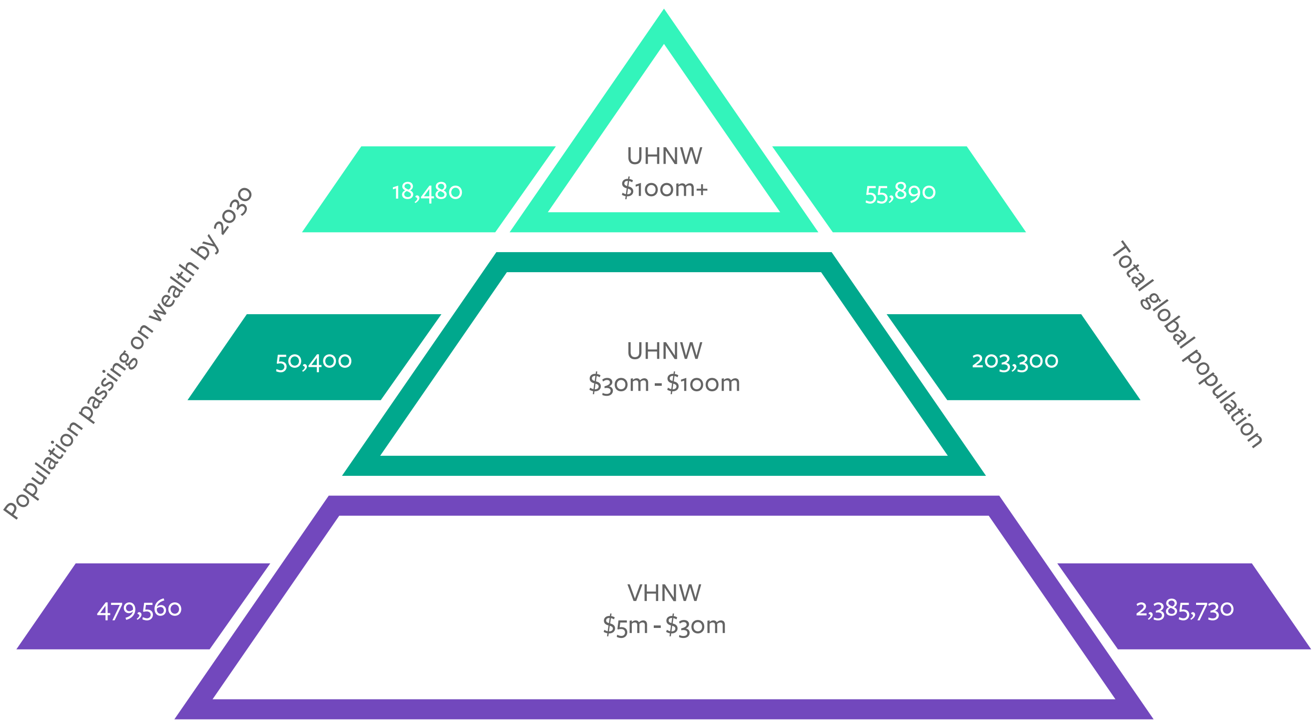
The Great Global Wealth Transfer will have a huge impact on the global wealthy over the next two decades – those with sizeable, complex estates and assets that include large businesses as well as real estate and other alternative investments.

High-net-worth families in transition

The number of individuals in the world with more than $5 million in net worth now stands at 2,644,920. Of this group, the vast majority (90%) are worth between $5 million and $30 million. These individuals are classified as very-high-net-worth (VHNW).

Those with more than $30m number 259,190 individuals. They are classified as ultra-high-net-worth (UHNW). Of this group, 55,890 individuals are worth more than $100 million – which is commonly referred to as the 'family office' tier of wealth.

Total global population and total global population of those transferring by 2030

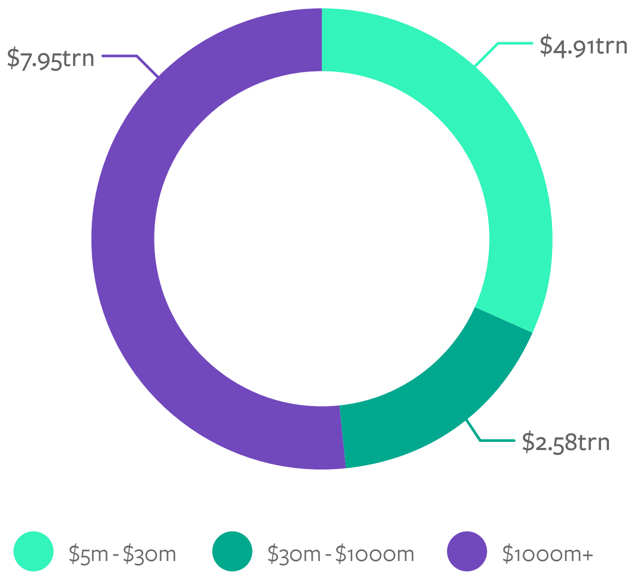


Wealth-X, 2019

Of all individuals worth more than $5 million, over half a million people (548,440) will be transferring wealth over the next decade – over a fifth of the total population (20.7%). The collective wealth being transferred by this discrete group is over $15 trillion – a greater sum than China's annual Gross Domestic Product (GDP).

However, over half of this wealth (51%) will be transferred by UHNWs worth more than $100 million, despite only numbering 18,480 individuals. The average person in this group will be transferring an estate worth more than $430 million.

Total wealth to be transferred by 2030 by wealth tier



Wealth-X, 2019

> "51% of wealth transferred by the wealthy will be by just 18,480 UHNWs worth more than $100m."

Wealth and wealth transfer by region

Regionally, the Americas has the largest share of both VHNW and UHNW individuals. Of the 2.644 million individuals worth more than $5 million around the world, around 41% are based in this region. The next largest region, Europe Middle East & Africa (EMEA) has 31.5%, while Asia-Pacific, the fastest growing region of wealth, has 27.5%.

Global population by region & wealth tier

	The Americas	EMEA	Asia - Pacific
$5m - $30m	981,710	747,620	656,400
$30m - $100m	79,050	68,010	56,240
$100m+	20,880	19,560	15,450

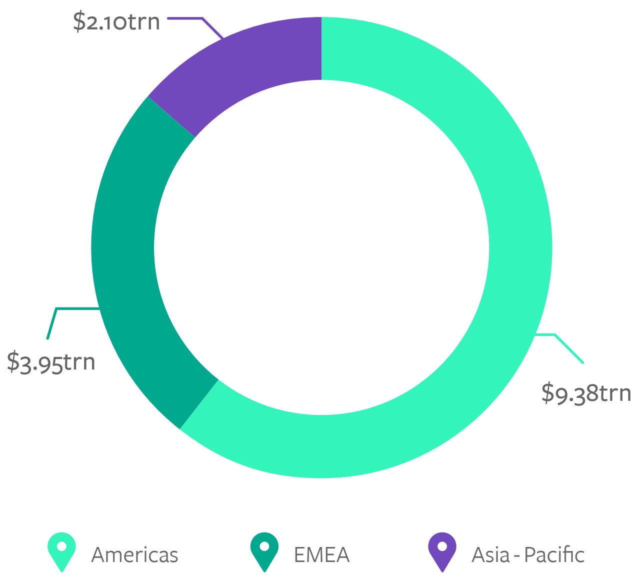
Wealth-X, 2019

When it comes to the very wealthiest individuals however, there is a more even spread, particularly between EMEA and The Americas. The Americas have 39% of the global population of those with $30-$100 million and 37% of those with more than $100m. EMEA's share climbs up to 33% for those with $30-$100 million and to 35% for the 'family office' tier of $100 million plus.

The Americas region also has by far the lion's share of the total wealthy population ($5m+) and wealth that will transfer by 2030. Of the global total of 548,440 transferring, over two-thirds (69%) are from this region and they have 61% of the wealth. Within this region, it is North America that has the bulk of these individuals – 366,400.

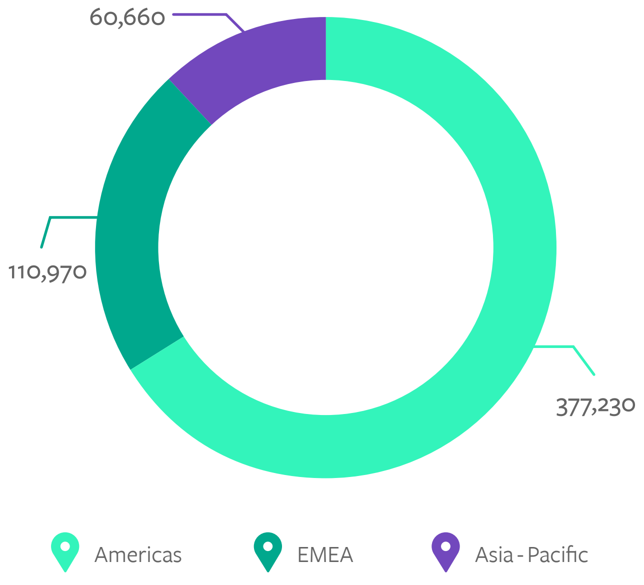
"61% of the wealth to be transferred is from the Americas region."

Collective wealth to be transferred ($)



Wealth-X, 2019

Number of $5m+ individuals transferring wealth by 2030



Wealth-X, 2019

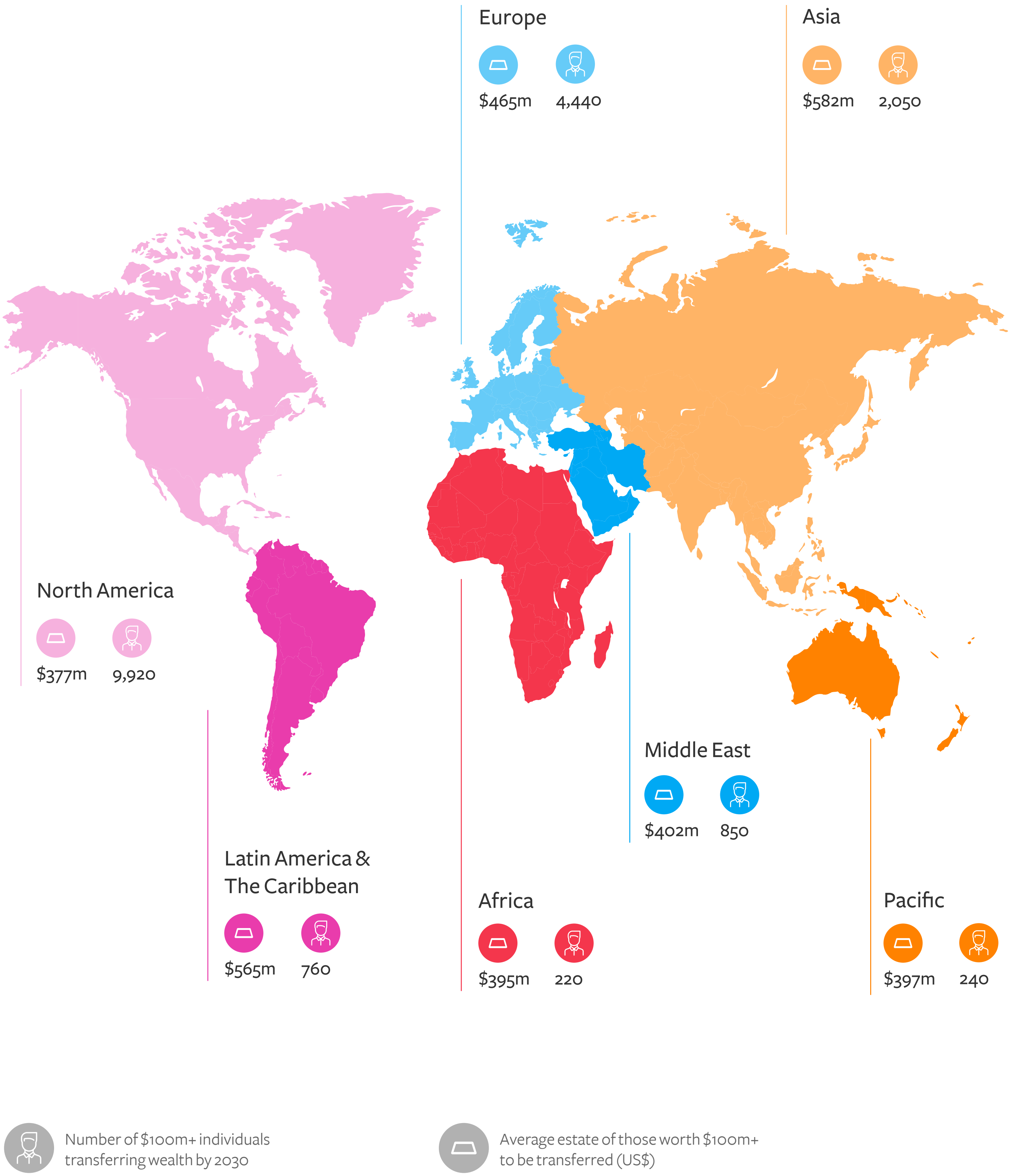
The wealthiest group transferring - the family office tier with $100 million or more in net worth - are predominantly based in North America, Europe and Asia, although this is a truly global audience. Beyond these regions, a further 2,070 individuals with this wealth level will be transferring their wealth and assets over the next decade; a total of $954.4 billion.

The average size of estate being transferred also varies significantly between the regions. Whilst North America has over 9,920 transferring individuals worth more than $100 million, the average estate being transferred is $377 million, below the $430 million global average for this group. Latin America & the Caribbean, whilst possessing less than a tenth of this in population terms, their family office-tier UHNWs have an average estate size of $565 million – far above the global average.

"The Americas has over two-thirds of the global transferring population."

The regional population with the largest average estate to be transferred is that of Asia, at $585 million. It is also the region with the third largest population of those transferring, at 2,050 individuals.

Number of those worth $100m+ transferring by 2030, by region



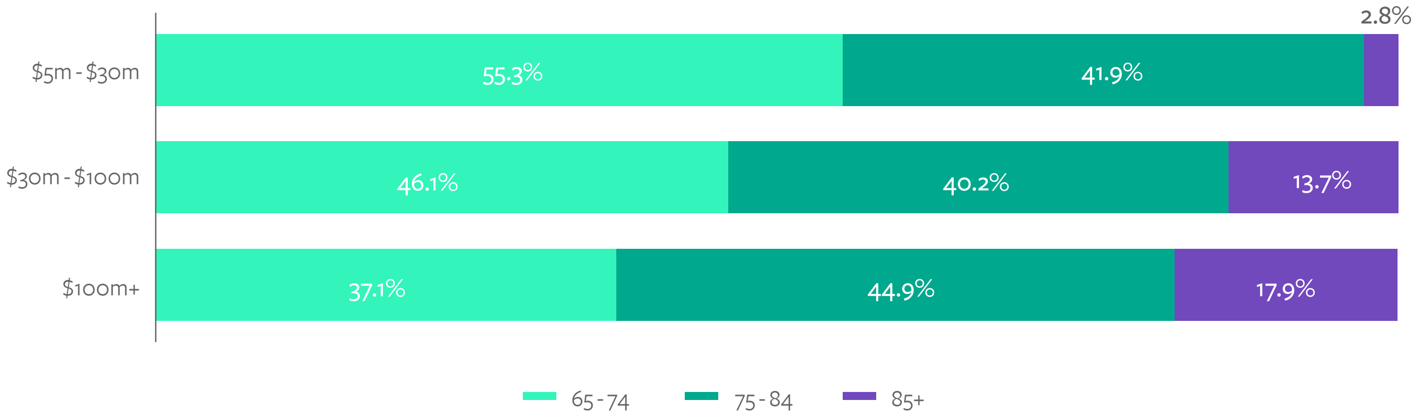
Wealth-X, 2019

Characteristics of those transferring wealth

The majority of those transferring wealth in the next decade – irrespective of their wealth tier – are currently between the ages of 65 and 84. Amongst those with a net worth of $5-$30 million, 97.2% are in this age group. Less than 3% are 85 or above.

However, the average age increases with net worth. At the UHNW level, with $30-$100 million net worth, the proportion of those in the oldest group rises to 13.7%. For the wealthiest family office tier, this is even higher, at 17.9%. This tier also has the smallest number of individuals in the youngest age bracket of 65-74, showing that a large proportion of the wealth transferred within the wealthiest families on earth over the next decade is most likely to begin happening within the next few years.

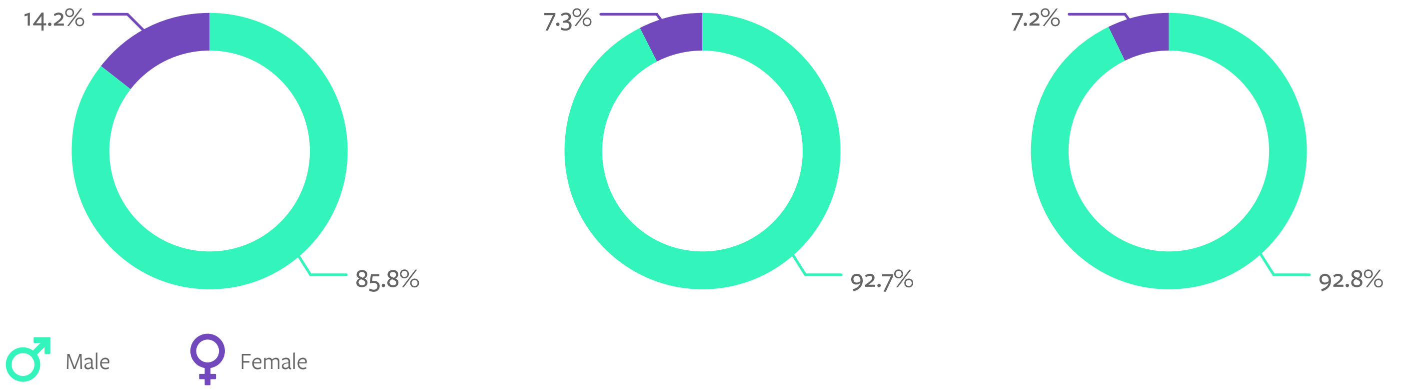
Ages of those transferring by 2030, by wealth tier



Wealth-X, 2019

The vast majority of those transferring are men. Out of the 548,440 individuals worth more than $5 million making wealth transfers over the next ten years, around 495,753 will be male. This is common in the world of wealth, but the proportion of women is highest amongst the group with the lowest average age of transferors - those with a net worth of $5-$30 million. Amongst those transferring with more than $100m in net worth, just 7.2% are female.

Gender of those transferring by 2030, by wealth tier

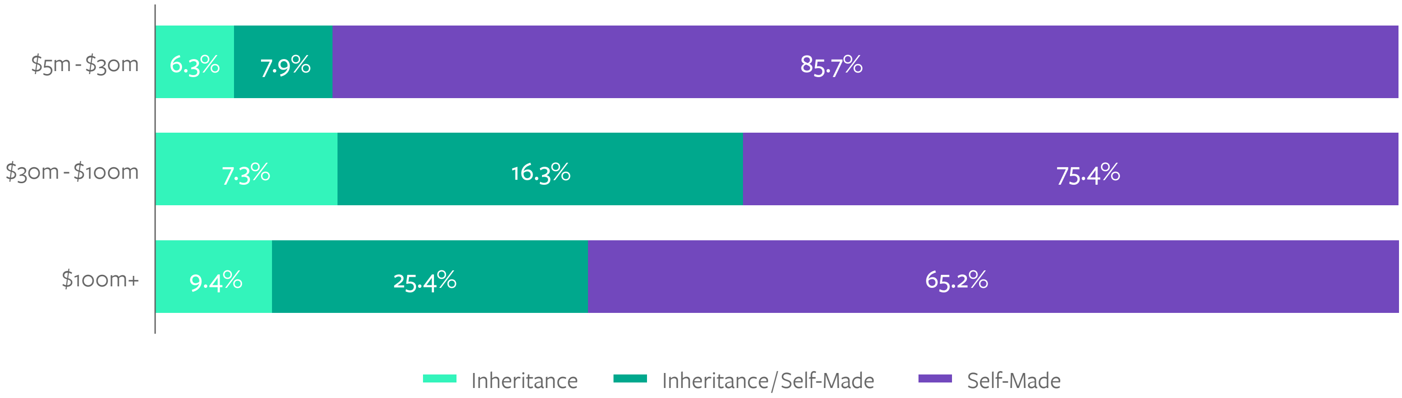


Wealth-X, 2019

Despite the fact that all of these individuals are transferring wealth to the next generation, whether that be spouses, children, grandchildren or other individuals such as more distant family members, most of them have made the wealth themselves. Even amongst those with the greatest wealth – those with in excess of $100 million – less than 10% had inherited all of that wealth.

The self-made effect is even more pronounced at the lower end of wealth, where 85.7% are entirely self-made. The proportion of those who have inherited some wealth but have also created their own rises with wealth, and over a quarter of those in the wealthiest family office tier, are in this category.

Wealth source by wealth tier of those transferring by 2030



Wealth-X, 2019

The 'family office' tier

The immediacy - and the scale - of the transfer of wealth being made by the wealthiest cohort cannot be emphasised enough. Over half of the wealth to be transferred by the entire population of those worth more than $5 million is to be transferred by those with more than $100 million in net worth (the 'family office' tier) and given the average age of the transferors, a big chunk is likely to happen in the next five years, not the next 10. Taking into account that these individuals often have the most complex arrangements in terms of business ownership, assets and geographic exposure, the possibilities for problems or issues with transfers begin to mount.

All of this points to understanding how prepared these individuals are for what lies ahead. How the structures and organisations they use will shape the way they transfer their wealth, how their global lifestyles and those of their heirs will affect the future of their family wealth and investments, and whether recent (pandemic related) events and trends will change the way they behave.

Through in-depth discussions with professional intermediaries to these individuals and their families – such as private legal advisors, private client accountants as well as those in asset management, investment advisory and trust administration - we identified five key areas that represent recent changes or trends amongst the family office tier of wealth; many of which we discovered will have a genuine impact on the future of wealth with the next generation and are therefore crucial points to consider during the next decade of wealth transfer.

Global growth and evolution of family offices

“Family offices have boomed as a result of the increasing global complexity of multi-jurisdictional living and asset ownership.”

The modern world is a complex place and increased globalisation of families and their wealth brings them into contact with higher levels of regulation and more legal regimes, which give rise to issues such as asset ownership, succession rights and taxation. In today’s world, where the average life expectancy is above 80 years of age in the developed world, wealthy families often have four or five generations alive at one time, and two or three of those generations usually have a need or desire to be closely involved with managing the family wealth or business. However, despite this, increasing numbers of family members in this wealth tier end up living abroad, educating themselves abroad, and even settling abroad away from the family’s origin country, creating a far greater geographical footprint.

In addition, the different family members often have differing interests and attitudes when it comes to investments in particular asset classes and geographies. All of this makes managing family wealth – across the generations - extremely difficult without the structure that a family office provides.

> **“The increasing complexity of life, just to have one’s affairs in order is a specialist subject, particularly when you’ve got people with international clients, large families, with assets in different countries.”**
>
> **UHNW Advisor**

Another factor in the push for family offices amongst the wealthiest is that many private banks, investment banks and wealth managers are now perceived by UHNWs to be product and sales focused. This has resulted in a greater number of wealthy families being attracted to the single or multi-family office model, which is focused on the specific interests of the family and its various members, rather than on selling them financial products.

Additionally, there has been a trend amongst UHNW-liaising managers in major wealth management firms and private banks of leaving and taking their clients with them to begin their own multi-family office organisations. As a result, many large firms are far more protective of their clients and cautious about bankers getting too close to valuable UHNWs. This has hampered the development of relationships in which UHNW clients feel understood, pushing them towards the family office model.

> **“Most banks see their clients as things to be sold to, potential sources of revenue, and there are banks that will actively disrupt relationships in order that the relationship manager never gets too close to the client.”**
>
> **UHNW Intermediary**

That being said, the concept of a family office has also developed a special allure and even status for many UHNWs, particularly those from new wealth markets. Influenced by peers and friends, wealthy individuals are increasingly attracted to setting one up, even before setting goals for what they want it to achieve. In addition, family offices have evolved beyond their original investment focus, offering an increasing range of services to meet the needs of ever more demanding families, redefining what a family office is. However, the reality that family offices (including multi-family offices) cannot do it all is also becoming more clear, so outsourcing certain specialised functions and roles will continue, with overall stewardship and oversight remaining with the family office.

The evolution of family offices has also fuelled their increasing ‘firepower’ globally. Private deals and funds that were once the reserve of large investment banks and private equity firms are now increasingly being taken on directly by family offices. Time horizons are also different and often longer than is acceptable for traditional institutional investors, giving agile family offices an added advantage in many cases.

"Private banks and wealth managers have had a major role in pushing very wealthy families towards the family office model."

Family offices have an important role to play in the Great Global Wealth Transfer. There is an emerging consciousness that the transfer of wealth between generations, particularly in Europe, North America and the Middle East, requires a considerable amount of time and dedication. (In Asia, with 85% of billionaires still the family business founders and first-generation wealth creators, this trend is more in its infancy.)

Older generations of families are concerned, not only that those inheriting need to be better prepared to run the family business or manage the family wealth for the purpose of continuation and family legacy, but also because they want their inheritors to take an interest and gain their own purpose and identity in doing so. The chief concern is that involvement that comes too late will result in a failed transfer. The older generations want to see how the next generation handles investments and business, and to see what they can bring to the table, before the transfer process is begun.

"As a general rule, the planning is starting younger for the UHNWs. They're looking to actually create some form of structure whereby their children, at an appropriate age, can be brought on board to be made aware of what's going on, allow them to create some form of input, so allow them an opportunity to train."

UHNW Advisor

However, this involvement is also expected to evolve and reform family offices. The next generation's involvement in the management of the family business and family wealth is already beginning to result in changes. Armed with an invigorated, fresh perspective, because there is too much room for error with complicated structures, they are minimising, creating efficiency and building teams to be able to service this.

Globalisation of wealthy families and investments

The trend of the internationalisation of wealthy families and their investments is commonly associated with risk and fear – moving wealth to safer locations, escaping political perils and/or social instability and moving family members to safer cities. But most of the drivers for this globalisation of wealth and the wealthy are about pursuing opportunities. When it comes to investments, wealthy families think globally, which is part of their risk diversification. For example, acquiring real estate in different locations is about taking advantage of a situation, whether it be a favourable exchange rate or an undervalued market.

"Opportunity has had a bigger influence than risk management in the globalisation of families, their wealth and investments."

Investments are not the only opportunities either. Wealthy family members' global movements reflect the insatiable appetite for experiences and travel in various locations, their global professional and business networks and friendships, and the attraction of world-class education. Other factors like taxation and succession laws also affect residency choices. This results in family 'colonies', scattered throughout the world, evolving the family from a national to international identity.

"People want to be educated in the best universities around the world. Very often they then form a base there. People are marrying internationally, so, all of a sudden you've got the globalisation of a family."

Multi-family Office

> "The great globalisation of wealth and families via family offices will continue but greater complexity, regulation and resource needs will result in some consolidation."

There is a great deal of confidence and optimism that the internationalisation of wealth and families will continue, despite concerns about the current risks to the global conditions that make this easier to achieve, such as the recent and projected trade wars, appetite for de-globalisation and protectionism and the increasing regulatory burden in many jurisdictions. The reason for this is that families already consider themselves to be international citizens rather than local ones, and global investors rather than simply wealthy business owners.

The resulting cross-border family and investment exposure to multiple countries' legal and tax regimes naturally brings with it additional risks for the family. Not a surprise then that one of the most important factors cited in efficient transfer of wealth is properly thought-out wealth holding structures designed to mitigate such additional risk exposure over the long term.

However, there is a likelihood that many single family offices without sufficient scale will be forced to merge to create multi-family offices to pool resources, thus diluting the singular family focus. This reflects the increasing complexity of both the regulatory environment and the lives, assets and investments of wealthy families, many of whom have three or four generations living. Providing the increasing range of expected family office services – beyond investment and wealth management – requires a larger and highly knowledgeable staff within the family office.

> **"Some single family offices are struggling with the concept of all the changing of legislation. Through no fault of their own, they cannot keep up because they just don't have the necessary qualified staff or the team around them."**
>
> **Multi-family Office**

Wealthy families' assets, investments and succession

The assets and investments of wealthy families are expected to be significantly impacted by the Great Global Wealth Transfer. One of the major reasons for this is the distinctive interest levels of the different generations in certain types of assets.

Real estate has been one of the favourite investments of wealthy families for decades. One of the reasons for this is that it has an emotional quality that other assets lack. This is partly due to its tangible nature and the fact that it is largely deal-based – something that is comprehensible and relatable, irrespective of your industry of expertise, wealth level, education or nationality.

> "Real estate will remain a key asset within family portfolios, but with a more structured and less sporadic approach. However, it has less attraction for the next generation."

For older wealthy individuals, who are most often the originators of family wealth, real estate is still an important alternative asset, but for the younger generation, real estate investment does not appear to have the same appeal.

This is partly about different interpretations of value between the generations. Buying buildings or land is less attractive to many in the younger generation. Many of them view real estate as unexciting, lacking dynamism, and somewhat old-fashioned. This is especially the case when their own investment interests veer towards tech and the digital sector.

However, this does not mean they fail to see real estate as having a place within a diversified portfolio of family investments. It is simply that, in future, the proportion of investment and interest in the category is expected to decline somewhat and, in addition, a more practical, structural approach will become the default approach.

“There will be a lot more structure attached to it but they will just look at real estate as an asset class. They look at the yield, they look at the tenants, they look at the jurisdiction. Ultimately, they will be very pragmatic in their approach.”

Multi-family Office

Where the next generation are more focused is on private equity and venture capital investments, particularly in up-and-coming sectors such as tech. Whilst they are ambivalent about ‘indirect’ investments such as equities, they are highly enthused by the direct investment and accountability that comes with these sectors.

The promise of return, which isn’t often realised, is highly appealing, but it is mainly the interactivity with actual businesses – the management, the strategy - that is exciting for this generation.

“Private equity and venture capital are the most appealing sectors to the next generation – it is less about risk or return and more about excitement.”

Whilst the older generation may be put off by the sector’s performance as a whole and seek opportunities with better yields and return, their concerns about the lack of liquidity with the investment, not to mention the risk, appear to be less of a worry for the younger family members. This is partly attributed to the importance these individuals place on creating their own ‘business success’ through this kind of investment.

However, there are signs that getting involved with direct equity investments also acts as training for the next generation for when they take over the family business. It is also being considered a ‘retirement’ hobby for the older generation, who have stepped back from the day-to-day management of their own company.

“Direct private equity is just exploding. When you’re dealing with the direct equity, they’re actually part of the board, they’re getting involved, particularly also for the very young generation because it’s training. The older generation, where they’re more retired, they’re not part of their business anymore, they need something to interest them so they’ll look into that.”

UHNW Advisor

Another exciting area is that of impact investing and environmental, social and governance (ESG) criteria. These types of investment are becoming more and more important to wealthy families, and many of them have been asking their advisors about investment opportunities in ESG before they are being recommended. However, this is not true for all UHNW families around the world and is largely concentrated among families in Europe and North America.

One reason for the enormous increase in interest is that the wealthy genuinely care about the issues these investments seek to address, particularly the environment. They are increasingly motivated to make better investments in more than return and a growing consciousness about impact – both positive and negative – is driving this.

Another characteristic of this increased focus on responsible investing is the fact it’s largely coming from women and younger family members. As their involvement in the family business and family wealth increases, wives and children are drawing concerns about what types of business are being invested in, while the men in more senior positions are responding in kind.

“The older generation are interested in ESG to a certain extent but only because they’ve have had it in the ear from their children. Honestly, I would say that the environmental approach for, I’m talking, 60 and above, you don’t really hear that very much and if you do it’s because they are with their children and their children are educating them.”

UHNW Advisor

> “More and more wealthy families are asking about ESG and impact investing – and this is driven by women and younger family members.”

However, whilst the next generation are enthusiastic when it comes to ESG and impact investing, when it comes to traditional philanthropy, they appear to be less motivated. This is partly due to life stage, and the expectations of an older generation in leaving a lasting legacy in their name; philanthropy plays a key role in delivering this legacy.

But philanthropy, like real estate investment, is another one of those longstanding interests of wealthy families that is forecast to experience a changed approach with the next generation. This will partly be to do with the specific causes that families make donations to, with increasing interest in global causes expected, but it is also to do with the reasons for donating, the expectations of the donation and the active involvement in the cause or the donation itself.

More senior family members in the older generation are more positive when it comes to traditional philanthropy. They have often been satisfied with recognition of their donation and legacy and the fact that, for example, a tax burden can be offset by giving money to good causes. There is no doubt the next generation understands that philanthropy is an effective way of helping and making an impact, and so are expected to take a greater interest in philanthropy eventually when the time comes, but it is less likely they will take the same approach as the previous generation. They are expected to be more demanding when it comes to what the donation achieves and for whom.

> “Philanthropy will remain important to wealthy families, but the approach to it may change with the next generation who appear to be less interested.”

“The older generation are looking at philanthropy because they’re creating a legacy, they want to do something with their wealth. The younger generation because they’re just not part of that life cycle at the moment, they’re not thinking that way. It’s more about environmental impact and how their investment is impacting the world.”

UHNW Advisor

The impact of technology on wealthy families and investments

Technology has become the great enabler of globalised wealth. It is at the heart of the most efficient family offices and is used in a myriad of ways. However, one of its greatest benefits in the complex world of internationalised wealth is simplification. With increasing regulation and bureaucracy to contend with, one of the most effective uses for technology within family office structures is in its ability to simplify arduous, repetitive processes.

> “Family offices are using technology to make the lives of family members easier and simpler in a world that is getting more and more complex – and it’s also enabling multi-generational involvement.”

Its biggest areas of use by wealthy families and family offices include investment monitoring and consolidated reporting across multiple asset classes, currencies and geographies, as well as providing the means of remote communication systems to enable immediate discussions between family members and their professional advisors, wherever they might be. All this is a result of – and contributes to – the ability of wealthy families to be truly global.

Immediacy of access is another factor. The more technology enables remote access, the more individual users expect. This results in requirements such as real-time reporting and the ability to access reports through smartphones. This has been well illustrated during recent market volatility (related to COVID-19 disruption) with families seeking comfort in relation to their own positions - clarity and immediacy of information can have a profound effect on peace of mind in this regard.

The younger generation in wealthy families are the most positive in embracing new technology. As many of these individuals grew up with computing and the internet, they are comfortable using it and expect to use it more and more. This is also enabling the next generation to have greater participation in running and managing family investments.

> **"Technology is being driven by the next generation, those below 50, are driving the importance of investment monitoring, consolidation of performance, really taking advantage of the technology and the banking systems."**
>
> **UHNW Advisor**

One of the chief benefits of modern technology has been to replace the need for face-to-face contact. In fact, in future, instead of travelling back and forth for meetings as frequently as they may have done previously, many are expecting to use video conferencing technology whilst staying at home or travelling for leisure. A large group can congregate online, discuss together and decide on key issues without the necessity for geographic displacement. Recent COVID-19 related disruption to travel and social gathering has given further focus in this space.

> "Communication tech is being heavily used by wealthy families to interact with their advisors and their investments – but security is a major concern."

However, there are some concerns that families may become overly reliant on this kind of technology and for some this carries too high a security risk. Widespread online and app access to accounts and reports is making family members and some of their advisors concerned about the amount of information that is accessible and what this means for assets and potential fraud, theft or even risk of extortion or kidnapping in some parts of the world.

In addition to this, older family members are concerned that those in the youngest generation are becoming overly reliant on technology. Instead of engaging with family get-togethers, they are increasingly using digital methods such as instant chat as the default process of communicating, which changes the dynamic between the generations and can create a feeling of distance between family members.

> **"What's the risk attached to this?' I don't want someone that's in our office to be able to click in and basically, even though it can be convenient when you're on the phone to a client to give them the information, it's not appropriate."**
>
> **Multi-family Office**

COVID-19's impact on wealthy families, investments and succession

The impact of COVID-19, at least in the short term, is already being felt by wealthy families around the world. Not only has it forced them into changing their lifestyle and way of conducting business, but it has also made them think about the future. Since it was declared a global pandemic, intermediaries and wealth planners for very wealthy families have received an increase in enquiries from the more virus-vulnerable elder generation about succession planning for businesses and the transfer of wealth to the next generation. As succession was already a key concern pre-COVID-19, advisors believe that its severe and widespread impact on the world has magnified this to a far greater degree.

"As a result of COVID-19, wealthy families have already begun to make enquiries about earlier transition of control and assets to the next generation."

Part of the reasoning for this is because the virus has brought to the older generations a more immediate awareness of their own mortality and that the plans for succession they were putting to one side need to be brought forward and addressed immediately, or at least reviewed.

However, it is also about the broader uncertainty and economic impact that the world is facing as a result of the pandemic and the mitigation of its impact, provoking senior family members in control of investments and assets to get their affairs in order and make changes.

"I think everyone's much more aware of the uncertainty of life, uncertainty of their own safety as well as economic safety, and where they're living and how things can change."

UHNW Advisor

Despite the deep impact of the virus on the short-term psyche of wealthy individuals and their families, and their increased focus on safety and health, it is not expected to have a significant long-term impact on their lifestyles or their international wealth and assets.

Although there is an expectation that their volume of travel will decline in the mid-term and that family businesses with globalised just-in-time supply chains will look at the risks and opportunities in moving away from that model for the long term, there is no expectation that much will change.

Investment is, however, one area where changes are already being made. As well as increasingly looking at opportunities in the private asset area, which was already happening pre-COVID-19, there is an expectation that investments in healthcare, ESG and technology will be of the greatest interest to the post-COVID wealthy family.

"Long term, COVID-19 will not impact the globalised behaviour of wealthy families, but it is impacting their immediate investment and business strategies."

"I think clients are talking about it a bit more. I think it's going to be short term, one or two years, there will be a lot of buzz around it and then people will go back to normal again."

UHNW Advisor

IQEQ

Know how Know you

IQ-EQ is a leading Investor Services group that brings together that rare combination of global expertise and a deep understanding of the needs of clients. We have the know how and the know you that allows us provide a comprehensive range of compliance, administration, asset and advisory services to investment funds, global companies, family offices and private clients globally.

IQ-EQ employs a global workforce of 3000+ people located in 23 jurisdictions and has assets under administration (AUA) exceeding USD 500bn.

http://www.iqeq.com

Barton

Barton is focused on consulting businesses in the luxury and prestige sectors, combining evidence and guidance to help these organisations and brands grow and thrive. Whether for business strategy, brand assessment, communication, trend analysis or thought leadership, Barton knows insight and evidence is vital, and that businesses need to have confidence in their decisions. The team has years of experience in collecting and interpreting insight on the luxury sector and its elite consumers. Whether for small-scale, short-term advisory or expansive, long-term strategic involvement, Barton offers cross-sector knowledge in a responsive, agile way, combining creativity with pragmatism, providing the perspective needed to make informed decisions.

http://www.barton-consulting.co.uk

WEALTH-X

The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world's most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand, and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a growing roster of more than 500 clients worldwide.

http://www.wealthx.com

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