

Wealthy Investors' Expectations Return to "Normal"

*FOX Survey Shows Growing Confidence in Economy and Financial Markets
but Increased Conservatism in Investment Philosophy*

CHICAGO, July 12, 2011 – Wealthy individuals are feeling more confident about their investments and the economy and appear more willing to make decisions about their financial assets, according to a new investment survey by Family Office Exchange (FOX), a leading provider of research, education, networking, and consulting services to wealth owners and their advisors.

In "FOX Wealth Trends™: 2011 Investment Survey Insights," its fifth survey of investor attitudes and behaviors since the advent of the financial crisis in 2008, FOX finds that strong investment performance in the past year provided a boost in the confidence of wealthy investors and raised expectations for future returns.

In 2010, the median family office reported 12% annual pretax portfolio returns. For 2011, families anticipate a median return of 8%, mirroring the 7% to 8% long-term performance target of family offices surveyed by FOX across the past 20 years.

"In this statistic, at least, families seem to be expecting a return to normalcy," says David Lincoln, FOX managing director of research. "More importantly, the survey suggests that families are feeling more confident. About 85% of families and office executives said 2010 portfolio performance either met or exceeded their expectations."

"Assuming the economy withstands the recent uncertainty," Lincoln says, "we believe families are likely to remain cautiously optimistic about the economy, continue to make and enact important decisions about asset transfers, and invest money that they had previously sidelined."

Among other key findings of the survey, which FOX conducted in the second quarter of 2011:

- Although they are feeling more confident today than in the recent past, families remain worried about the potential for future capital losses, liquidity, and economic risks.
- Many families are adjusting their investment philosophy and asset allocation to ensure greater liquidity.
- The names and faces of advisors in family "ecosystems" are likely to change, perhaps significantly.

The investable assets of survey respondents average \$338 million.

To obtain a free executive summary of the report, visit www.familyoffice.com/InvestmentSurvey.

About Family Office Exchange

Family Office Exchange (FOX) is a global organization dedicated to supporting wealthy families and their advisors with research, consulting services, networking opportunities, and education on key topics such as managing wealth, family governance and best practices for running family offices. FOX currently serves 500 families and their advisors from headquarters in Chicago and London with offices in New York and Boston. For more information, visit www.familyoffice.com.

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