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SRL Global –
Family Office Data Driven Insights

Positioning & Expectations
for Q3 2025

srlglobal.com

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Family Office Alpha

Democratically Sourced, Systematically Analysed and Continuously Challenged.

The purpose of SRL Global's *Data-Driven Insights* is to assist Family Offices in their investment and asset allocation decisions by providing unique perspectives that leverage the collective wisdom of the group.

The theory which started our journey – that Family Offices make better-informed decisions if they see and hear from expert peers in their field – remains central to our philosophy.

Embedded Value in Survey Participation:

SFO Insights + SFO Perspectives = A Unique Alpha for SFOs

Our assertion remains — there is knowledge in crowds, especially well-informed Family Office crowds.

By Families. For Families.

Each month we ask you to supply data to us. This requires time and effort on your part.

As a plenary exercise, SRL Global analyse the views you have been kind enough to share with us, based on simple, but investible long-only and short-only indicators.

The experiments are not designed to suggest trades, instead they are designed to identify what value is embedded in the survey data.

We will publish our empirical findings each quarter.

Contents

1. The Consensus

A downshift is anticipated in the global economy and portfolios are positioned for that outcome.

Private Equity and Venture Capital risk is seen as attractive for the first time since late 2022.

The ‘moderate Risk-Off’ finding is supported by the new quantitative *Family Office Sentiment Index* (FOSI) which we introduce in this survey.

2. The Family Office Sentiment Index ("FOSI")

We are backing up our qualitative analysis by introducing a quantitative measure of Family Office sentiment called FOSI.

The FOSI aggregates the survey data across the following components:

- Asset Allocation Bias,
- Tactical Intent,
- Macro Outlook,
- Valuation Stance,
- Corporate Fundaments,
- Forward Return Ranking;
- and Opportunities vs. Risks.

These are weighted and scored. The scoring is then normalised. The normalised score is then interpreted as falling to categories:

+60 to +100 → Strong Risk-On

+20 to +60 → Moderate Risk-On

–20 to +20 → Neutral / Balanced

–60 to –20 → Moderate Risk-Off

–100 to –60 → Strong Risk-Off

FOSI Q3 2025

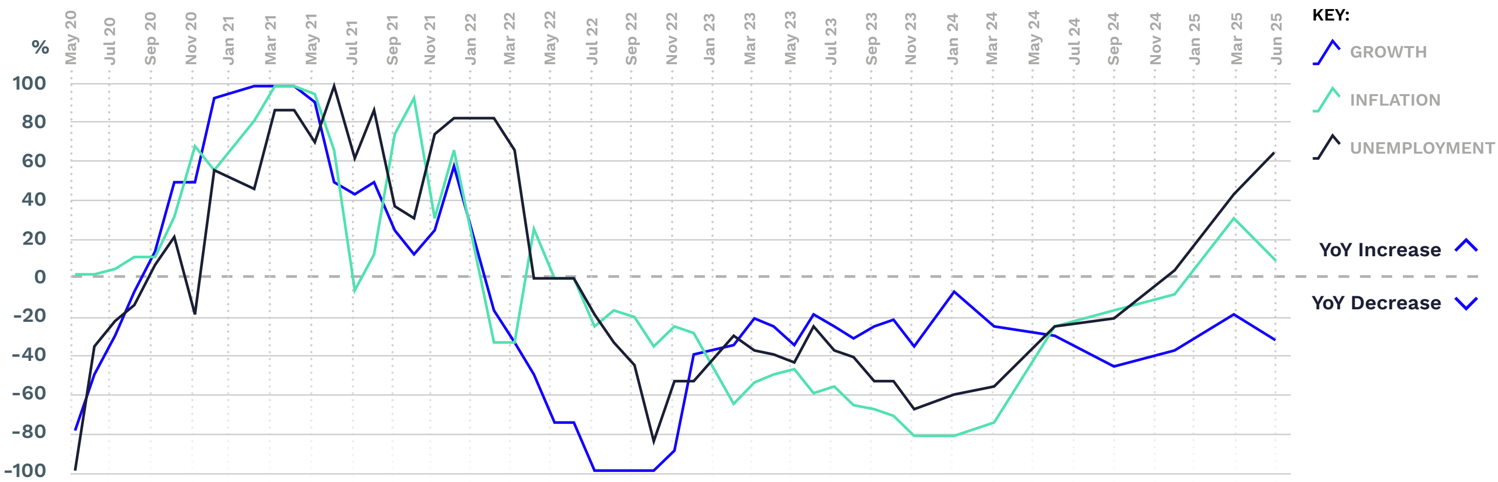
With the index now in the –30's, Family Offices are positioned as **"Moderate Risk-Off"**, historically aligned with late-cycle phases and elevated draw-down hedging activity.

This finding chimes well with the qualitative approach which we are using and the two together allow a higher level of certainty in our conclusions.
We hope you will find this approach useful and interesting. If you would like additional information please contact SRL Global.

3. The Macro Environment

Lower Growth , increased geopolitical risk and reducing policy support.

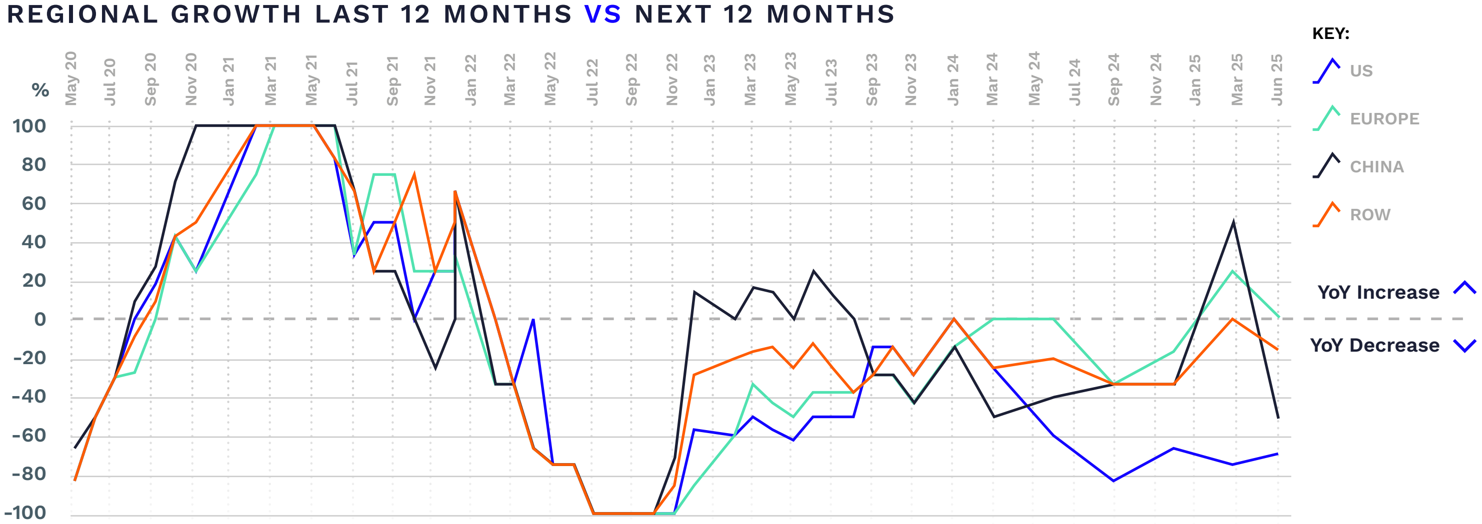
OUTLOOK: NEXT 12 MONTHS VS LAST 12 MONTHS



The Q3 2025 SRL Global Survey expects lower Growth, higher Unemployment and higher Inflation next year than last year. This is a shift in views around Inflation and Unemployment which has been gradually emerging over the past couple of quarters and has accelerated recently.

The regional breakdown of the Growth shift is driven by Chinese expectations.

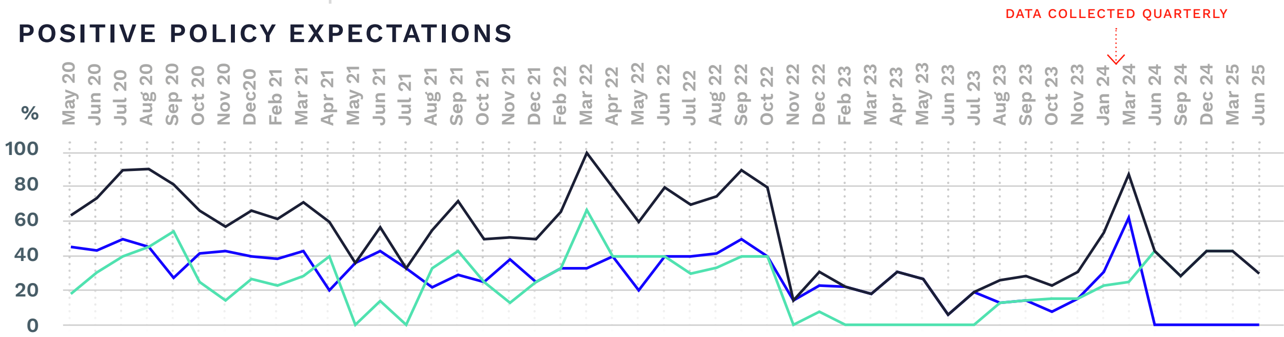
REGIONAL GROWTH LAST 12 MONTHS VS NEXT 12 MONTHS



The stimulus packages announced earlier this year produced a big bounce in Growth expectations, which are fading. Of the remaining regions only Europe is seen as likely to match last year's weak Growth; elsewhere declines are expected.

Whilst Growth falls Inflation is seen as stubbornly elevated, restricting the ability of monetary authorities to reduce rates.

POSITIVE POLICY EXPECTATIONS



KEY:

- Monetary Stimulus: Accommodative central bank policies
- Fiscal Stimulus: Lowering tax rates on income and capital gain, and/or increased government consumption
- Sum of Monetary and Fiscal responses

Policy constraints are clearly evident; the survey shows no expectation of preemptive monetary policy and only weak availability of additional fiscal support.

Perceived risks fit this narrative. There are fiscal constraints seen in concerns of rising sovereign debt burdens. This risk has doubled since the previous survey.

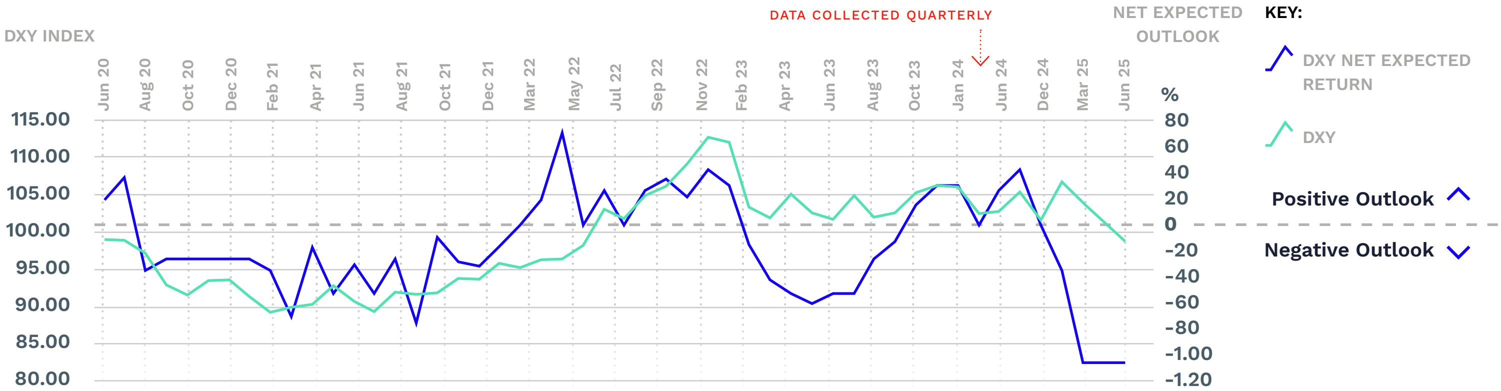
Higher Probability Negative Drivers 12m Forecast Period	**Jun-25**	**Mar-25**	**Dec-24**	**Sep-24**	**Jun-24**
Political Instability	0%	0%	14%	14%	43%
Weak Global Economic Conditions	0%	0%	0%	29%	14%
Increasing Sovereign Debt as a % of GDP	29%	14%	14%	14%	14%
Policy Mistakes by Central Banks	0%	14%	14%	14%	29%
Global Trade War	**71%**	**71%**	**57%**	**29%**	**0%**

4. The US Dollar and Crude Oil

Negative sentiment reflected in both macro indicators.

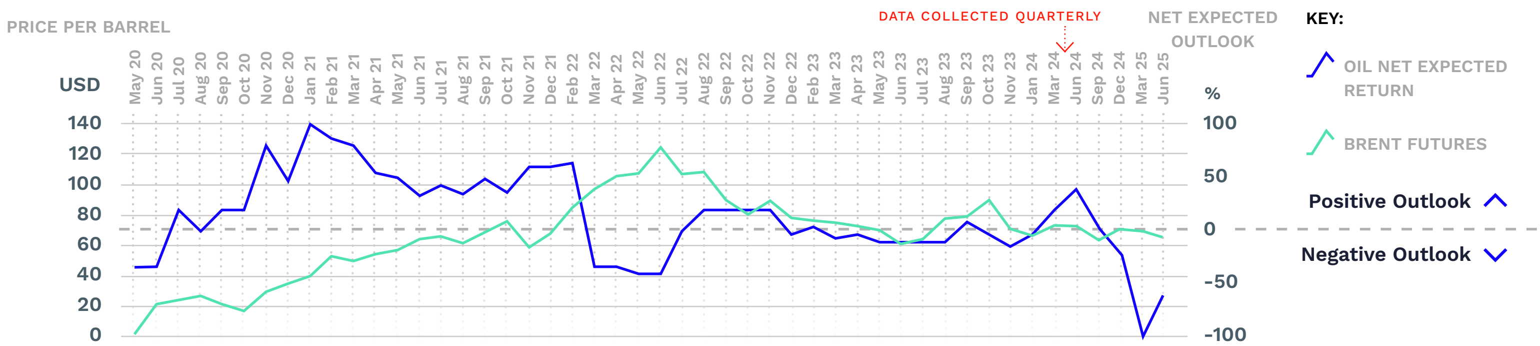
Given the macroeconomic backdrop, it is unsurprising to see the panel deeply and universally concerned about the USD. Price action is supporting this view as the index breaks below its eighteen month floor. Recent geopolitical stresses have not offered the USD a ‘flight to quality’ bid, which in itself is a signal of concern.

DXY (ACTUAL) AND USD NET EXPECTED 12 MONTH OUTLOOK



Despite the recent Iranian situation Oil has benefited only from short-lived bounces - limited to the high $70s a barrel. Once again this price action reinforces the panel’s negative sentiment.

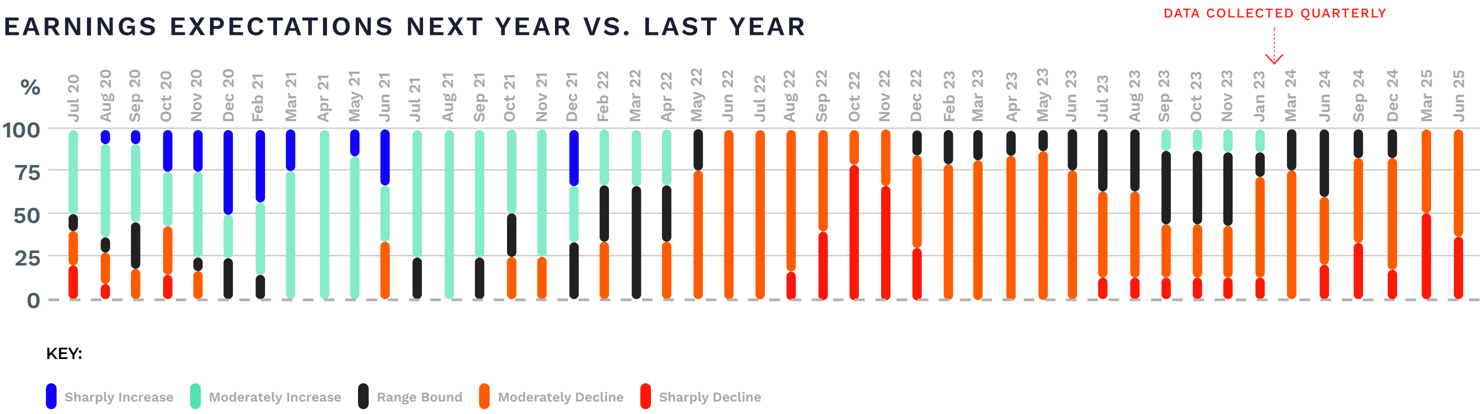
SPOT PRICE AND NET EXPECTED 12 MONTH OUTLOOK FOR BRENT CRUDE OIL



5. Corporate Earnings Outlook

Expecting a Moderate or Sharp decline in earnings growth opposes market estimates.

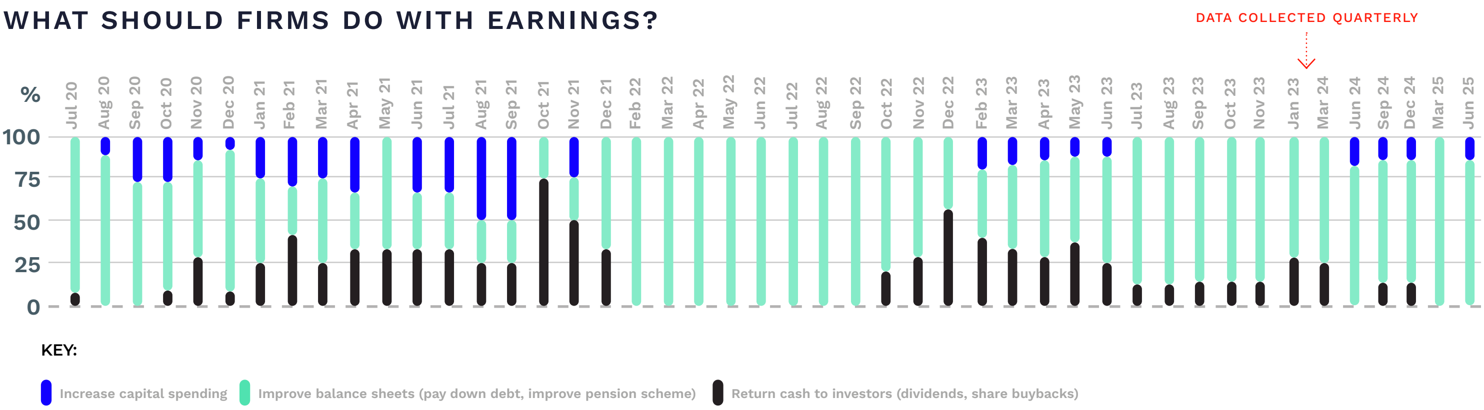
EARNINGS EXPECTATIONS NEXT YEAR VS. LAST YEAR



The market estimates S&P 500 earnings growth at 9.7% in CY 2025 following an expected 9.4% in 2024 where the ten year average is 8%. The survey is more bearish seeing ‘Moderate’ to ‘Sharp’ declines, which we read as declines in growth rates to below the long run 8% average.

As usual there is less uncertainty around what to do with earnings. The panel prefer balance sheet improvement to either higher CapEx or distributions. This makes good sense with the panel both Defensive in Outlook and overweight Cash in portfolios.

WHAT SHOULD FIRMS DO WITH EARNINGS?



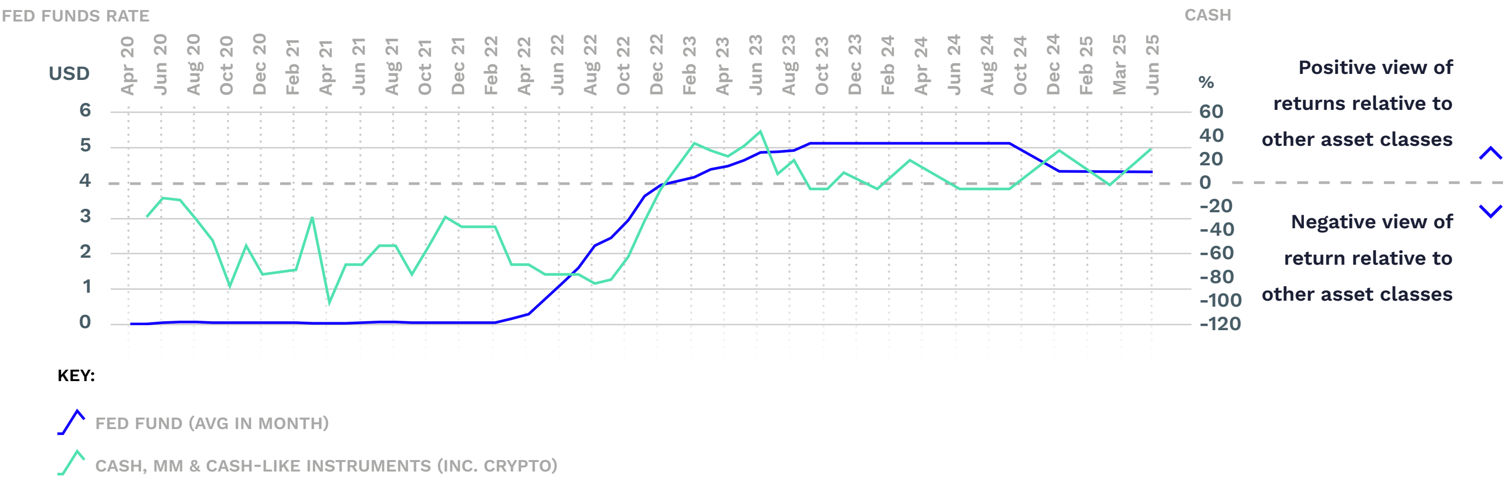
6. Asset Allocation

A defensive allocation is in place.

Cash holdings are significantly Overweight and relative returns on Cash are seen as good enough that there is no intention to Reduce them.

The low risk allocation put in place in Q1 and Q2 remains.

EXPECTED RANKED RETURN ON CASH VS FED FUNDS RATE



KEY:
SIGNAL CHANGES

ASSET CLASS SIGNALS

	Perceived Position	Intention to Add or Reduce	Expected Return	Signal
Cash, MM & Cash-Like Instruments	Overweight	Maintain	Positive	Neutral
Developed Markets Equities	Underweight	Reduce	Neutral	Neutral
Emerging Markets Equities	Very Underweight	Maintain	Negative	Neutral
Liquid Alternatives	Overweight	Strong Add	Positive	Long
High-Yield Fixed-Income	Underweight	Maintain	Negative	Neutral
Investment-Grade Fixed-Income	Overweight	Reduce	Positive	Neutral
Other Commodities	Underweight	Add	Negative	Neutral
Precious Metals	Overweight	Add	Positive	Long
Private Equity & Venture Capital	Underweight	Add	Positive	Long
Real Assets	Neutral	Add	Neutral	Neutral

The stance of Underweight equity risk in both Developed and Emerging markets remains in place. Further Equity exposure reductions are anticipated.

Elsewhere there is a move to Reduce a now excessive Overweight in High-grade Fixed-Income despite good expected returns.

There is a desire to Reduce an excessive Underweight in Private Equity where repricing of the sector may now be throwing up good risk-reward opportunities.

7. Public Market Equities

Expected Returns for Q3 are weak and sector choices are defensive.

The key sector choices indicate a defensive stance even within a generally underweight portfolio. Longs exist in the context of cheap valuation views with the exceptions of Consumer Staples and Communications; and Shorts are universally in sectors with stretched perceived valuations.

Expected returns are less important than downside risk assessment currently.

SECTOR POSITIONS

	Valuation	Expected Return	Signal
Communications	Rich	Positive	Long
Consumer Discretionary	Very Rich	Negative	Short
Consumer Staples	Rich	Positive	● Long
Energy	Very Cheap	Positive	Long
Financials	Neutral	Positive	Long
Healthcare	Cheap	Neutral	Long
Materials	Very Cheap	Positive	Long
Industrials	Neutral	Very Positive	Long
IT	Very Rich	Negative	Short
Real Estate	Rich	Very Negative	Short
Utilities	Rich	Negative	Short

KEY:
● SIGNAL CHANGES

8. Public Market Fixed-Income

The panel sees its High-Grade portfolio as ‘Overweight’ with ‘Positive’ outlook and the intention is to Reduce the scale of the Overweight near-term.

With cuts expected at a slow pace in the US next year and lots of anticipated supply, the current <4.0% yield in 5 years is seen as fair.

Spreads are tight however, with two thirds expecting widening next year.

Given neutrality on rates, caution on spreads and concerns on earnings growth – it is to be expected that High-Yield is not flavour of the month with the group. Positioning is ‘Underweight’ with no intention to adjust near-term, expected returns are ranked as ‘Negative’.

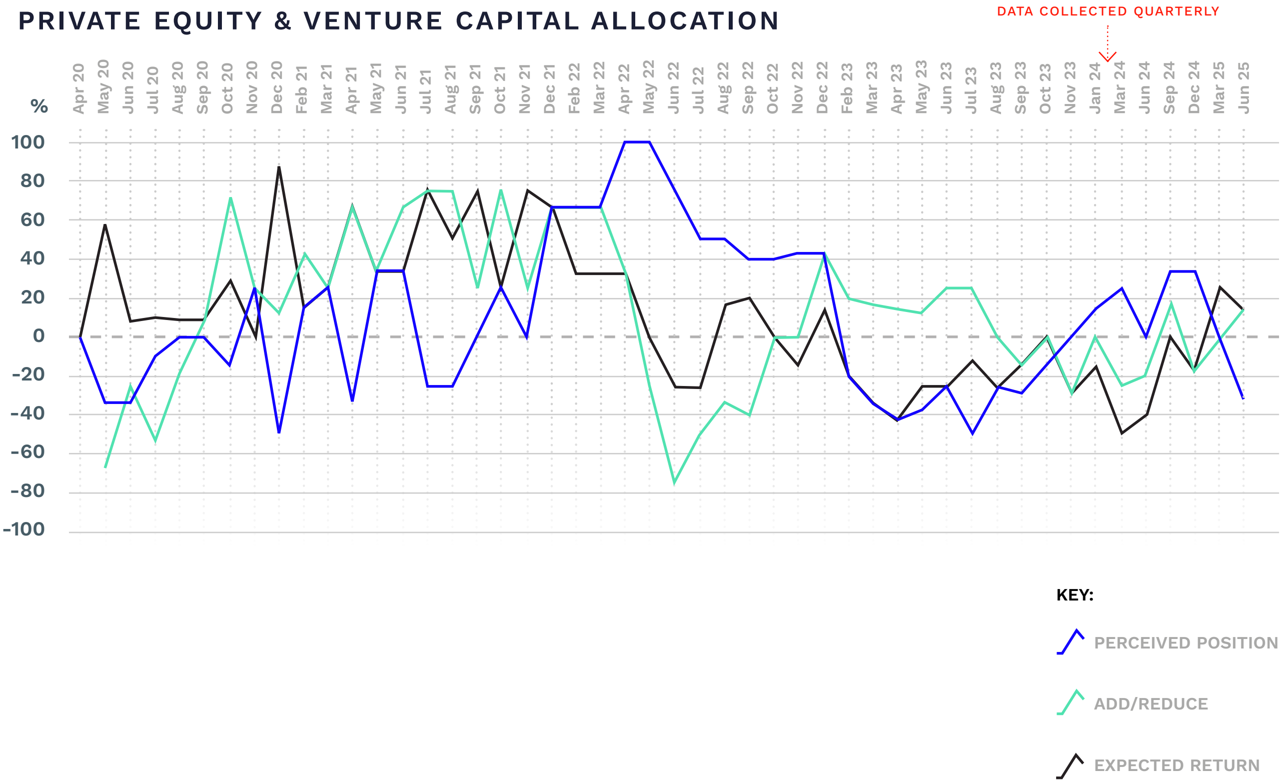
High-Yield has returned 2.5% in Q1 with Cash producing 1%. Additional potential return in this space is not seen as continuing to compensate for the risks.

9. Private Equity and Liquid Alternative Markets

Liquid Alternatives remain popular, whilst PE and VC portfolios are starting to look opportunistically attractive.

Private Equity and Venture Capital portfolios are seen as below weight and there is now an intention to Add near-term. Pricing seems to have improved enough to encourage additional investment.

PRIVATE EQUITY & VENTURE CAPITAL ALLOCATION

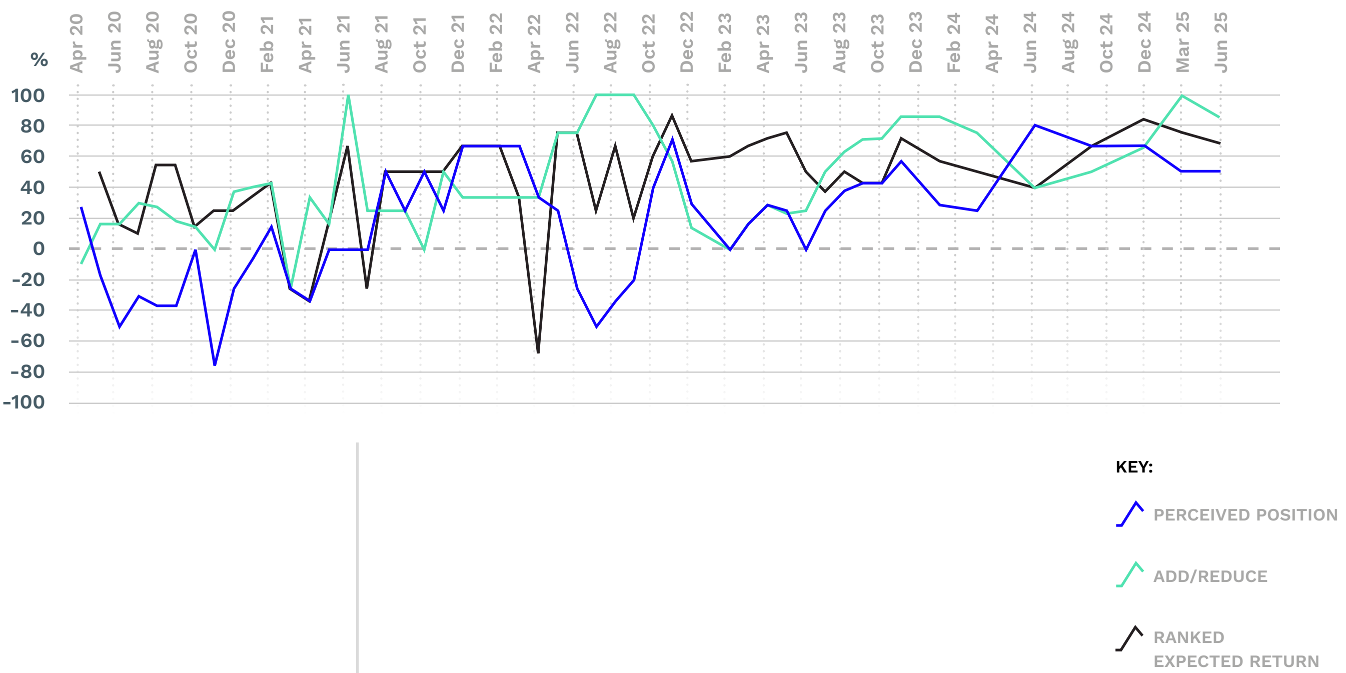


This is the first time since late 2022 that the signal on the simple model has switched Long. It is caused by a combination of low levels of perceived holdings and Positive ranked expected returns.

The Liquid Alternative space has been popular for a while. The HFRI fund weighted index was up 9.75% in 2024 and contributed positively in H1 2024. Portfolios are Overweight, but not extremely so — ranked expected returns are high and the intention to Add is near universal.

In a defensive environment with equity beta being avoided, it is reasonable to expect the Hedge Fund space to be in favour and it is.

LIQUID ALTERNATIVES



10. Real Assets

Real Assets are getting cautious attention.

In the SRL survey real assets fall into two categories. Real Estate and Infrastructure and Commodities. Commodities are further divided into precious metals and 'Others'.

In the SRL survey real assets fall into two categories, Real Estate and Infrastructure and Commodities. Commodities are further divided into Precious Metals and 'Others'.

In 'Other Commodities' we show mildly Underweight positions which are intended to be corrected by modest additional investment. Expected returns are weakly ranked.

> **The Precious Metals signal last went Long in January 2024 with Gold at around $2,000 a troy oz. At $3,350 the panel remain Overweight and are adding in the face of positive expected returns.**

High liquidity and high exposure to geopolitical factors may both be reasons for the panel maintaining relatively Overweight positions in these assets, as well as possible inflation-hedging characteristics.

Direct Real Estate exposure has been either signalling Neutral or Short since September 2022. Currently it reads as Neutral. Portfolios are felt to be slightly Overweight and expected returns Negative.

In the listed market, valuations are perceived as Rich and the return outlook Very Negative. The signal remains short.

This is not surprising, rates staying up, rising liquidity premia, banking stress in the US commercial market, well publicised European listed property company problems and the largest Chinese developers in possible default suggest a liquidation is in progress, which may take some time to work through.

This is a summary of key findings – detailing the breakdown of positioning, sentiment and anticipated flows, benchmarked against the peer group.

This report is available to those participating in the survey panel.

To participate in next quarters survey and to continue receiving this report, please contact: survey@srlglobal.com

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SRL canvasses the opinions of a diverse group of independently deciding individuals from the single family office community. Participants both contribute to and benefit from collective wisdom.

Reports branded as SRL Data Driven Insights are instantly recognisable as containing unique data and analysis. SRL utilises powerful tools such as social media monitoring, customised surveys and third-party data sets which, when combined with the insights produced by our experienced research team, uncover new ways of answering fundamental questions across sectors, regions and asset classes.

SRL Global provides families and their Private Investment Offices with a transparent view of their Investments, providing greater control, insight and tools to help monitor, measure and manage their wealth.

Solving family office challenges around financial reporting is not solely a matter of technology or service alone. Only when relevant data is brought together with expertise can highly individualized management strategies and solutions be developed and executed.

Analytics

Enterprise-grade portfolio analytics translated.

"SRL Analytics demystifies the complex by coupling sophisticated financial modelling with an AI generated commentary."

Tuomo Lampinen, CEO, SRL Analytics

Find out more:

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