



In the spotlight - Edward Cotton, senior partnerships manager for UK & Europe, Moonfare

NEWS TEAM, 28/04/2023

SHARE  

 Add to favourites  Send Feedback



Edward Cotton is a senior partnerships manager (UK & Europe) at Moonfare and is responsible for developing Moonfare's institutional partnerships with banks, wealth managers and family offices across Europe.

Mr Cotton joined Moonfare from British private markets technology firm Delio, where he was head of business development.

He began his career in private banking at Barclays and later at Edmond de Rothschild's Private Merchant Bank, where he focused on placing the bank's private equity offering with family offices.

Mr Cotton is a London native, a CFA Charterholder and a graduate of the University of Bristol.

Why are family offices so important?

Family offices have an economic significance that often goes unrecognised. The Cap Gemini Wealth Management Top Trends 2023 report, for example, estimates that around 10,000 family offices globally manage nearly \$7 trillion, or around eight percent of global high net worth individual (HNWI) wealth. That sum is only set to grow as next-generation clients seek to diversify their investments, and also want the personal and tailored service family offices can provide.

As important as the family offices themselves, however, is providing them with the tools to fulfil what people generally think of as their main function – ensuring wealth is passed on to the next generation. I think we are at a critical moment in that regard. The fear and uncertainty created by the 2008 financial crisis stimulated the growth of the family office sector.

Recent economic changes have prompted family offices to adapt their allocations to a higher rate, high inflation environment, and to consider the impact of recessionary conditions, which may still be waiting in the wings.

What are the key trends shaping family office services at the moment?

I think family offices are undergoing a profound, if not superficially obvious, change as both long- and short-term factors combine. Family offices have historically tended to allocate to private markets, and that trend is becoming more pronounced as a response to market changes.

When we surveyed family offices recently (it was a joint survey with the Global Partnership of Family Offices) we found that around 60 percent of family offices had increased their private market allocation over the past two years. Well over half said they had reduced exposure to public equity and fixed income over the same time-frame. The vast majority of people we surveyed said the potential for high risk-adjusted returns was a 'significant benefit'.

This should not really come as a surprise. Investors are grappling with inflation that certainly the younger generation has never seen before, and traditional 60/40 portfolios have highlighted the need for real diversification, despite recent public market rallies.

But the drive to diversify investment offerings is as much generational and structural as it is market driven. It's about aligning with the values and risk appetite of a new generation of wealth. Significant numbers of family offices, around a quarter according to our data, see setting new asset classes as the main priority for 2023.

With an unprecedented inter-generational transfer of HNW wealth expected over the next decade – as much as \$15 trillion according to some reports – responding to the shifting demands and appetites of the NextGen cohort of family offices will be key.

What are the main challenges facing family office services?

Despite the benefits family offices increasingly identify in private markets, they still face significant hurdles when it comes to making their allocations. These include liquidity, as well as issues relating to reporting and general digital access.

Again, to draw data from our survey, almost 74 percent of respondents said they were concerned by the general lack of liquidity in private equity markets. At Moonfare, we have worked to allay these concerns, creating a unique path to early liquidity via a digital secondary market allowing investors in our funds to sell or buy their positions to our network of investors, or to our institutional partner, Lexington Partners.

As the world's largest and longest-running operator of private equity secondary investments, Lexington brings institutional liquidity to our digital semi-annual silent auction.

We also recently launched a dedicated service (MPIO – the Moonfare Private Investment Office) to facilitate eligible family offices' access to exclusive private market funds and co-investment opportunities. The service brings insight and transparency with, for example, a forward-looking fund pipeline, proprietary due diligence reports pre-launch on target funds, access to GP webinars and fund reporting, and digital tools including multiple access to accounts.

What's one book you think everyone should read?

Despite my personal intellectual fascination with the world of private markets investing, I think anyone involved in investing should read Benjamin Graham's *The Intelligent Investor*. Despite having been published almost 75 years ago, it remains the classic guide to value investing, whether you're just starting out or a seasoned investor.

If you couldn't do your current role what would your dream job be?

Scuba diving instructor. I was actually very close in my early 20s to taking this path. Life would have been very different!

When's the last time you failed spectacularly at something?

The CFA exams. Let’s just say I had a few attempts at getting through all three levels. My Everest, but I’m glad I persevered.

SHARE



RATE THIS ARTICLE



RELATED NEWS

14/04/2023

In the spotlight - Caroline Melloy, head of diversity & inclusion for Europe, RBC

21/04/2023

In the spotlight - Eamonn Gashier, CEO, Block Scholes

31/03/2023

In the spotlight - Rosie Cook, investment analyst, One Four Nine Portfolio Management

GIFT THIS ARTICLE

Enter recipient email

Type a short message (optional)

Send

MAIN NEWS HEADLINES

02/05/2023

Will the resurgence of price inflation have implications for the wealth management sector?

02/05/2023

Credit Suisse names replacement CIO

02/05/2023

HSBC wealth and personal banking revenues increase 82 pc

02/05/2023

CBAM hires another senior director from Investec W&I

02/05/2023

April's top 10 people moves

► [SHOW ALL](#)



ABOUT PAM

PAM Insight is the world's leading independent provider of essential specialist news, analysis and comparative data for the fast-evolving world of wealth management.

[Read more about PAM](#)

SUBSCRIBER SERVICES

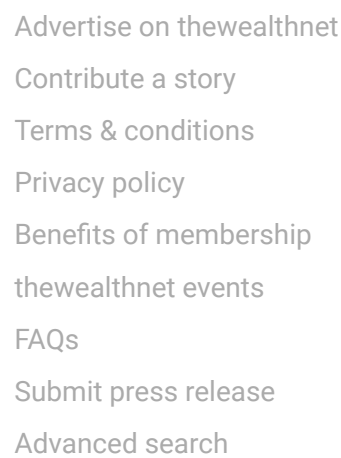
thewealthnet is designed to meet the information needs of those involved in the creation and preservation of private wealth.



Join our panel of leading thinkers and industry experts at this year's Elite summit.



leyanad@marcusevanscy.com



news@thewealthnet.com

amiddleton-pink@paminsight.com

subs@thewealthnet.com

support@thewealthnet.com

advertising@thewealthnet.com

PAM Insight Ltd
107 Cheapside
London
EC2V 6DN
United Kingdom
Tel: +44(0) 207 967 1601



a wealth of knowledge ~ a knowledge of wealth

Copyright © PAM Insight 2022