

SETTING FAMILY OFFICE INNOVATION PACE AT PATHSTONE

Tom Burroughes, Group Editor at *Family Wealth Report*, talks to Matt Fleissig, President at **Pathstone**.

What do you think gave you the competitive edge this year?

As a true modern family office, Pathstone pursues innovation for the benefit of our clients. Our investment platform continues to grow and strengthen. This year we introduced proprietary investment solutions, increased adoption of our recommendations, and used our scale to negotiate fees and access on our clients' behalf. We successfully launched the first and second funds in our new Pathstone Private Markets Access (PMA) fund series, including a private equity fund of funds and a private income fund series. The latter of these two funds represents a new asset class for Pathstone as we continue to look for innovative solutions to investment problems.

Describe how your colleagues made a difference to your organization?

Each of our 200+ team members - including our ~100 employee owners - has contributed to our firm's accomplishments. We have achieved significant success in the face of extreme adversity. Our Pathstone family was not immune to the heartbreaking stories of hardship, sickness, and loss during the pandemic. Yet, despite this, all our team "showed up" and gave their best efforts to support our firm's mission.

Our ability to constantly be a generation ahead of our competition, our focus on making Pathstone a career destination, and our focus on an entrepreneurial culture is core to what matters the most to us.

What steps are you taking to stay ahead of competition and in this region?

Pathstone has grown organically and via targeted, strategic acquisitions. Our strategy has consistently been to invest in smart people and innovative solutions that enhance our comprehensive suite of services. We pay close attention to aligned philosophies and cultural fit. We are not

growing Pathstone to get bigger but rather to get better.

Please describe the challenges you needed to surmount to reach your standard.

The key challenges Pathstone has faced are like those facing other fast-growing, dynamic organizations:

- Ensuring we have the best talent in the right numbers to support our growth;
- Integrating new teams and clients smoothly into our organization; and
- Identifying and funding strategic growth opportunities.

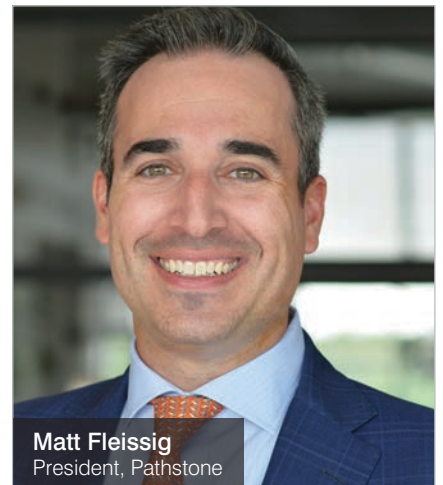
How did your firm react to the pandemic and what lasting changes do you expect from this period?

Pathstone was able to pivot to virtual meetings and virtual collaboration seamlessly. During the past few years of largely remote working, we gained new clients at a record pace despite not meeting in person and found a way to work as a unified team from 200+ "offices."

While many team members are now back in the office, we have formalized flexible working as a permanent benefit. We think initial prospect meetings will likely be virtual, and we have learned that clients find virtual meetings convenient, which could keep travel to half of what it once was.

What do you see as the prospects for wealth management in general?

The independent RIA industry is truly in its infancy. The entire RIA market is still a fraction of the size of bulge bracket firms. Demand for independent, conflict-free advice will continue to increase. Over the next five years, we believe consolidation will create five to ten \$50-100 billion RIAs that attain the scale, technology, and resources to differentiate their service and compete with the wirehouses.



Matt Fleissig
President, Pathstone

Whom do you look to for inspiration and ideas?

Our team constantly inspires me to do better. They bring their best ideas to the table and embody our mission to be Smart in a Way that Matters. I also gain inspiration from clients. Our focus on serving complex families often triggers ideas for new services and investment vehicles. ■

