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PRIVATE WEALTH MANAGEMENT

PWM LEADERSHIP

Insights & Outcomes

The Globalization of Wealth

Wealth creation is increasingly global, and so is the footprint of wealthy families. As mobility and multi-jurisdiction complexity rise, successful outcomes depend on clear goals, coordinated cross-border planning, and stronger operational and cybersecurity frameworks to match the expanded scope of modern wealth management.


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We are living in one of the greatest eras of wealth creation. Total household net worth, globally, is estimated to have tripled since 2000, to over $300 trillion, with the greatest growth coming from relatively new markets.[1] While the United States is still home to the largest population of billionaires and centimillionaires, the fastest growing regions are now in Asia and the Middle East. There is also a rapidly increasing divergence between where wealth is being created and where it is domiciled.

In 2025, a record-breaking 142,000 high net worth individuals, including more than one third of global billionaires, either added or changed their legal country of residence. Of these, the top outflows were from the U.K. and China, and the leading destinations were the UAE, USA, Singapore, Canada and Australia.[2]

GLOBAL MIGRATION: TAX, LIFESTYLE AND NEXT-GENERATION REALITIES

The reasons why wealthy families decide to establish residency in a new domicile are nearly as diverse as their countries of origin. The decision can often be a combination of factors, including tax optimization, lifestyle preferences, safety and global connectivity.

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high net worth individuals, including more than one third of global billionaires, either added or changed their legal country of residence.

For globally situated clients, tax considerations have become increasingly complex as many jurisdictions have evolved from territorial systems toward worldwide taxation with complex anti-deferral provisions, so investors must evaluate not only tax rates but also tax filing and reporting requirements.

Some families have moved for lifestyle reasons or to be closer to children and grandchildren. Next-generation family members often study or reside in different countries, increasing the need for cross-jurisdictional estate planning and governance. Some family members may decide to expand the family business in the countries they complete university in, adding to the global nature of their family enterprise.

Some families have a level of concern over geopolitical stability, or specific security and policy concerns in their home countries and view the establishment of an additional domicile as a prudent diversification strategy.

CROSS-BORDER CHALLENGES

Challenges we often see families face in planning include unclear objectives, fragmented advice across countries and estate structures that do not translate well across jurisdictions.

1. Source: McKinsey Global Institute. Available at: https://www.mckinsey.com/industries/financial-services/our-insights/the-rise-and-rise-of-the-global-balance-sheet-how-productively-are-we-using-our-wealth#/
2. Source: Henley & Partners. Available at: https://www.henleyglobal.com/newsroom/press-releases/henley-private-wealth-migration-report-2025

For those who are contemplating a migration, consider the following:

1

First and foremost, what is the primary objective of migration? Different jurisdictions offer different advantages and drawbacks. A clearly defined purpose can help you think through what you are willing to give up as well as what you are hoping to gain.

2

Do you have a proper structure in place to manage the migration? Before a move, be sure you have all the systems in place to manage the complexity of payments, currency exchanges and other aspects of your financial life on a multijurisdictional basis.

3

Is your estate plan clear and clearly understood by all beneficiaries? If you own residences, property and financial assets in multiple countries, it is important to have a tax and estate attorney in each jurisdiction review your estate plan and documentation. It's even more important to make sure that the younger generations of your family are financially literate and fully capable of handling the extra complexity.

4

As families add jurisdictions, custodians, advisors and service providers, the attack surface expands. Your wealth plan should include cybersecurity governance, secure communications, vendor oversight and an incident response plan—particularly for family offices managing sensitive documentation and complex authorization workflows.

As clients accumulate wealth, many outgrow the capabilities of their current firm, and meeting increasingly complex needs requires a more advanced, structured approach that addresses estate planning strategies, tax optimization and family governance among other considerations.

From an investment perspective, multi-currency portfolios can help align assets with liabilities and spending needs across geographies. Additionally, access to proprietary and third-party investment solutions through an "open-architecture" platform can support customization across jurisdictions and strategies.

Our clients recognize that opportunity is inherently global. Increasing cross-border mobility—whether through additional residences, changes in domicile or broader lifestyle footprints—often reflects the same disciplined mindset that has long guided sophisticated diversification: expanding optionality beyond traditional wealth planning and utilizing global access as a powerful lever for growth.

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AI Implications for Family Offices

Emerging Opportunities and Evolving Threats in a Rapidly Changing Landscape

Over the past several years, artificial intelligence (AI) has evolved from a tantalizing curiosity into an essential business tool for sophisticated family offices. AI is increasingly used to gain operational efficiencies, assess risk, evaluate investment opportunities and strengthen decision-making. At the same time, AI has accelerated an already fast-growing cybersecurity threat landscape. Cyberattacks are becoming more frequent and more sophisticated, leaving family offices—often leanly staffed and highly privacy-sensitive—with less time to detect and respond to threats.

Family offices that stand to gain the most in this rapidly evolving environment will be those that embrace innovation while maintaining disciplined governance and a strong control environment—including rigorous data privacy practices, effective third-party risk management and robust cybersecurity.

INVESTMENT: AI AS A DILIGENCE "FORCE MULTIPLIER"

While AI is playing an increasingly important role in evaluating potential investments, few family offices are using these tools to source investment ideas directly. Instead, many are using AI to pressure-test theses, cross-check assumptions and rapidly digest large volumes of information.

Some family offices have begun experimenting with AI agents that serve as non-voting investment committee participants—capturing institutional memory and contextual history that might otherwise be lost through turnover. AI systems can also support governance by chronicling decision-making, summarizing unstructured conversations and standardizing records. These tools reduce the administrative burden while strengthening continuity as composition evolves.

Even as capabilities improve, direct AI outputs still require professional interpretation and oversight. In most cases, the highest-value use of AI is not to replace judgment but to sharpen it—helping principals, Chief Information Officers (CIOs) and committees focus on the right questions, identify gaps faster and document decisions more consistently.

ACHIEVING OPERATIONAL EFFICIENCIES

Family offices are utilizing AI-driven automation to mitigate—and in some cases eliminate—the inefficiencies and operational risks inherent in manual, spreadsheet-based reporting. Through improved data management, workflow automation, and centralization of documentation, these integrated aggregation platforms enable quicker reporting timelines, fewer reconciliation mistakes and greater transparency across their operations. They are being deployed to help enhance oversight and due diligence by rapidly analyzing large volumes of documents and data to surface inconsistencies, highlight key risks and produce decision-ready summaries more quickly and consistently.

Some family offices are finding AI particularly valuable in the administration of complex alternative investments that generate extensive data. The arduous and time-consuming tasks involved with preparing and filing Schedule K-1 forms, for example, is emerging as a high-value use case. Over time, AI systems may reduce reliance on large accounting or administrative teams, allowing greater focus on investment analysis and long-term strategic planning.

Some family offices are also incorporating AI into people processes, particularly in the drafting and standardizing of employee self-assessments and manager performance reviews. When implemented thoughtfully, AI-enabled feedback, coaching and performance workflows may reinforce consistency and free up time for more substantive development conversations.

THE NEW CYBER REALITY

The cyber dimension is where the stakes rise quickly. AI tools have dramatically reduced the level of expertise required to mount effective cyberattacks, contributing to a meaningful increase in the volume and effectiveness of attempted cybercrimes. Deepfakes are becoming increasingly difficult to detect without sophisticated cryptographic technology, opening the door for more convincing phishing attempts and ransomware attacks. More advanced strategies to penetrate firewalls and other cybersecurity measures are also on the rise. As automated attacks accelerate, response windows compress—placing additional pressure on cybersecurity teams and decision-makers.

For family offices—where privacy, reputation and financial authorization processes are paramount—baseline protections should be treated as non-negotiable. Practical priorities typically include:

1. Secure document vaulting and controlled sharing, with clear permissions and audit trails
2. Strong authentication, including multi-factor authentication wherever possible
3. Hardened authorization procedures for money movement, including out-of-band verification and dual controls
4. A rehearsed incident response plan that explicitly addresses impersonation, deepfakes and urgent “executive” requests
5. Device and email security hygiene, which includes timely software updates

Family Office AI Usage[3]

	Family Offices currently using AI for:	Family Offices that indicate interest in using AI for:
Researching public sources	30%	39%
Investment reporting	29%	63%
Securities analysis	17%	57%
Managing internal data	13%	57%
Risk management	9%	74%
Investment manager selection	4%	58%

All but the largest and most technically mature family offices are well advised to avoid self-built, on-premise AI agents given their unpredictable nature and potential security gaps. In many cases, leveraging established cloud services with robust security infrastructure—paired with formal vendor contracts, clear support expectations and carefully configured privacy settings—can reduce operational risk. Vendor diligence should explicitly address data handling, retention access controls and whether sensitive information is used for model training.

LOOKING FORWARD: EMBEDDED CAPABILITY

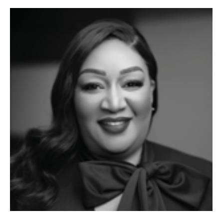
Over the next several years, broader adoption of a wider range of AI applications across family office functions is all but inevitable. With the rise of agentic AI—artificial intelligence that runs independently to design, execute and optimize workflows—AI may become so embedded in operations that its presence feels routine and largely unremarkable.

The most effective adopters will treat AI as an enterprise capability aligned to strategy, governed with discipline and integrated into a culture of sound decision-making. Ultimately, the measure of success may be the resilience, agility and innovation AI enables—creating space to focus on stewardship and the human dimensions of legacy.

3. Source: Forbes. Available at: https://www.forbes.com/sites/francoisbotha/2025/10/20/is-ai-rewiring-the-modern-family-office/

How the $2T Sports Economy Is Reshaping Sports—and Investing

Over the past decade, the sports industry has undergone a fundamental shift—expanding from a global entertainment powerhouse into an increasingly investable asset class. It's not only drawing more fans worldwide, it's also commanding greater attention from investors seeking durable, scalable growth.



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Why?

Because behind the highlight reels and ticket sales is a business that has proven remarkably resilient—and one that's generating revenue through opportunities that are becoming more accessible than they once were.

Today, sports and the broader entertainment ecosystem represent a roughly $2 trillion global industry.[4] The opportunity is clear. And increasingly, it's being looked at the same way investors look at any other opportunity:

How steady are the revenues?

How predictable are the cash flows?

Where could this fit in a portfolio?

THE SHIFT STARTS AT THE TOP

Leagues like the NFL, NBA, MLB and NHL have historically been tightly controlled. Ownership didn't change often and, when it did, it stayed within a small circle. That hasn't fully changed. But the door has opened—even if just a crack.

As major North American leagues have begun allowing private capital solutions, institutional-style private equity participation has increased. This inflow of institutional capital has brought liquidity to an undercapitalized market and helped position sports as a more mainstream private markets allocation.[5] That means investors might not be running teams, but they are participating in their economics.

BIGGER THAN TEAM OWNERSHIP

Owning a team gets the headlines. But it's only part of the story. The real business of sports runs through everything around the game—broadcast rights, sponsorships, ticket sales, stadium operations and the growing number of digital platforms that keep fans engaged year-round.

Step back, and you start to see the whole ecosystem. Not just the team or league. Not just the on-field product, but the system that generates revenue from multiple sources, across multiple channels, with fans coming back year after year.

WHY THE DEMAND HOLDS UP

Demand in the sports industry is sticky and here's why:

By and large, fans don't stop watching because a team has a bad season. They don't cancel their fandom or abandon their team. They still show up to games, they still tune in and they stay engaged through thick and thin.

That consistency matters from an investment standpoint. It shows up in ticket sales, media viewership and sponsorship deals—revenue streams that can continue even when performance fluctuates. And because many of those revenues are tied to longer-term agreements, they don't move as quickly as markets do.

For investors, that can create something highly appealing: an investment tied less to day-to-day market swings, and more to long-term engagement.

ACCESS ISN'T EQUAL

Even with all this growth, investing on the ownership side of sports remains difficult due to limited access. After all, there are only so many teams. Deals don't happen often. And when they do, leagues control who can participate. In some cases, only a very small group of investors are even allowed access.

That's why who you invest with matters. It's not just about getting exposure to sports. It's about working with someone who knows where opportunities are coming from. Because in this market, getting access is one thing. Getting the right access is something else entirely.

WHERE THIS MIGHT FIT IN YOUR PORTFOLIO

Sports ownership isn't a simple investment. It's long-term and illiquid, not easily bought or sold. And where you invest—and who you invest with—can make a big difference.

However, for investors who are already looking beyond traditional stocks and bonds, sports and entertainment are gaining real consideration. Not as a novelty—but as one piece of a broader strategy. Put simply, investors are recognizing that behind their favorite sports team is a business engine that has become more structured, more global and, in many cases, more accessible than it once was. And they're taking advantage.

WHERE THE INDUSTRY IS GOING FROM HERE

Looking ahead, the industry continues to expand. Leagues are pushing more intentionally into global markets and building audiences well beyond their home geographies. Closer to home, the experience of being a fan is changing too. Stadiums are evolving. Technology is reshaping how people engage, both in person and digitally. Even the role of the athlete has shifted, with many operating as media platforms and businesses in their own right.

All of that adds up to one conclusion: more reach, more engagement and more ways the industry can grow. For investors, the key isn't just access, but working with a firm who knows where the real opportunities are —and how they fit in with your larger financial goals.

4. Source: The New York Times. Available at: https://www.nytimes.com/athletic/6963878/2026/01/16/davos-global-sports-ecomomy-wef-takeaways/
5. Source: Ares. Available at: https://www.ares.com/us/news-and-insights/step-plate-getting-smart-role-sports-portfolio-allocation

The Expectation Gap:

Setting Boundaries and Saying No to Requests for Financial Support

Money doesn't break relationships—vagueness does. In responding to friends-and-family requests, you need to look beyond capability and focus on expectations. Among the real benefits of financial success is the ability to help—charities, causes and people you care about. But you can't say yes to every request, every time. And when you do say no (or "not now"), how you decide—and how you communicate—can either protect and enhance relationships or quietly erode them over time.

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The relationships that hold up over time tend to share three traits: they let empathy drive the conversation but not in the decision, they pre-set a clear annual amount they're willing to allocate, and they put terms in writing anytime money is framed as anything other than a no-strings gift. The framework below is designed to preserve generosity without allowing it to become assumed, automatic or indefinitely expandable.

PROACTIVITY, CLARITY AND FORMALITY

Many people approach investing and long-term planning with thoughtful structure, but handle giving reactively. That gap invites confusion: expectations form quickly, and disappointment follows even more quickly. When you say yes without a clear policy, it can unintentionally set an expectation for next time.

A practical fix is to clearly define your giving "rules of the road" in advance. Start with a simple philanthropic mission statement: what you value, what you support and what "success" looks like. You can apply the same clarity to friends-and-family support—who you'll consider helping, for what types of needs and within what limits.

Once you set guidelines, decide up front where you might flex. Maybe you'll make exceptions for a one-time emergency, or for a request that's outside your focus but matters deeply because of the relationship. Consistency builds trust; thoughtful exceptions keep you human. The key is that exceptions are intentional, not reactive.

Then communicate your approach—clearly, briefly and repeatedly. Anyone impacted by these decisions should understand not only what you typically support, but why. Light documentation can help too: it keeps everyone anchored to what was actually agreed, especially because memories get "creative" when money is involved.

GIFTS, LOANS AND/OR INVESTMENTS

One of the fastest ways to damage a relationship is to pretend a gift is a loan, or a loan is an investment. Requests from friends and family (and sometimes nonprofits) are often framed as loans or investments rather than gifts. That's where misunderstandings multiply—quickly.

If you make a loan, write down the basics: interest rate (if any), repayment schedule and what happens if payments stop. This can be as simple as an email or short letter agreement. If you're considering an investment, define your ownership stake and understand any potential liability. Even small investments can carry real legal risk, so it's prudent to consult an attorney before moving forward.

INSTALLING BUFFERS

You don't have to deliver every "no" personally—or alone. A process can do some of the work for you.

If you have an established giving vehicle or a formal review process, use it. If not, consider routing requests through your Financial Advisor or another trusted point person who can help evaluate how a potential gift fits within your broader plan and the limits you've set.

Turning down people close to you can be harder than declining an organization, especially when the request feels personal. Two structures can make this easier:

1 A standard gift amount you're comfortable offering (when you choose to say yes).

2 An annual friends-and-family fund with a hard cap, which lets you say: "I can do this, but it comes out of a limited pool—and saying yes here means saying no to someone else."

GIVING UP ON GUILT

Having the ability to give creates an opportunity—not a standing obligation. You get to decide what support looks like, how often it happens and where it stops. In our experience, the people who take time to define and communicate their approach make decisions with more confidence, less second-guessing and fewer relationship aftershocks.

To reinforce your conviction about this sensitive subject, deeply consider your past behavior. How has your approach to requests for financial support worked for you? If you are like most people, you'll realize that a "yes" that leaves you feeling resentful damages a relationship more than a "no" that leaves you feeling guilty.

Helpful "Turn-Down" Phrases

"While I appreciate you thinking of me for this important cause, we've chosen certain focus areas for our giving, including ___, ___ and ___ and we are not taking on additional causes at this time."

"I'm not in a position to make a gift at this time, but I may be able to support in other ways—introductions, strategic advice or serving in an advisory capacity—if that would be helpful."

"I'm happy to take care of this expense this time. Going forward, I'd like us to plan on sharing expenses."

"I've set a budget for giving and it's fully allocated at this point, so I'm not making any more commitments this year."

"I'm grateful you reached out. This falls outside the priorities and level of giving we've established as a family, so we'll need to decline. I truly wish you the very best with the initiative."

Contact your Morgan Stanley Private Wealth Advisor or visit morganstanley.com/pwm to explore more.

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