

AP ADVISORY

COMPLEXITY ARRIVES BEFORE THE FAMILY OFFICE DOES

What J.P. Morgan's 2026 Global Family Office Report means for Australian mortgage brokerage founders

A founder-facing thought leadership paper on governance, succession, enterprise value, family alignment and the strategic rationale for The Private Strategic Office™.

ASH PLAYSTED

Founder, The Private Strategic Office™ | Principal Adviser, AP Advisory | CEPA®

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Success creates complexity before it creates the infrastructure to manage it.

J.P. Morgan's 2026 Global Family Office Report is a study of some of the world's most sophisticated private wealth structures. Its direct subject is the single family office. Its more useful lesson for a successful Australian mortgage brokerage founder is broader: wealth, ownership, family, operating businesses, advisers and succession do not remain separate problems for very long.

As a brokerage grows, the founder may accumulate a valuable trail book, a meaningful enterprise value, key employees, referral relationships, multiple entities, personal investments, debt, family responsibilities, tax structures and an expanding group of professional advisers. The business can be successful while the architecture around the founder remains informal.

That is the gap this paper examines. It is also the gap that led me to create The Private Strategic Office™: not as a smaller version of a billionaire family office, and not as another technical adviser, but as a strategic integration layer around the founder, the business, the family balance sheet and the decisions that will shape what comes next.

“The family office problems described by J.P. Morgan do not begin at a billion dollars. They begin when complexity outruns the architecture around the founder.”

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WHAT THE REPORT SAYS

Six signals worth paying attention to

333 single family offices across 30 countries	83% report formal governance measures	86% lack clear succession plans for key decision-makers
58% currently have a separate operating business	41% of business-owning families cite conflict or misalignment as a top-three risk	80% use some degree of portfolio outsourcing

Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 3, 20, 27, 30 and 37. The survey is global. Australia represents only 2% of participants, so the data should not be treated as an Australian industry benchmark.

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1. Success creates complexity before infrastructure

The structural lesson hidden inside a family office report

The report covers family offices with average participant net worth of approximately US\$1.6 billion and estimated collective net worth of US\$518 billion. That scale can make the findings feel remote from a privately owned mortgage brokerage. It should not.

Scale changes the size of the problem. It does not necessarily change the nature of it. J.P. Morgan repeatedly returns to the same issues that appear much earlier in a founder's journey: governance, concentration, decision-making, continuity, key-person risk, succession, adviser coordination, family alignment and the tension between operating businesses and financial assets.

The implication for a brokerage founder is not that you need the staffing, cost base or bureaucracy of a conventional family office. J.P. Morgan reports average annual family office operating costs of just over US\$3 million, rising to approximately US\$6.6 million for offices overseeing more than US\$1 billion. That is plainly not the model most founders require.

The more relevant conclusion is that many founders develop family-office-type complexity well before family-office economics make sense. They need the disciplines before they need the institution.

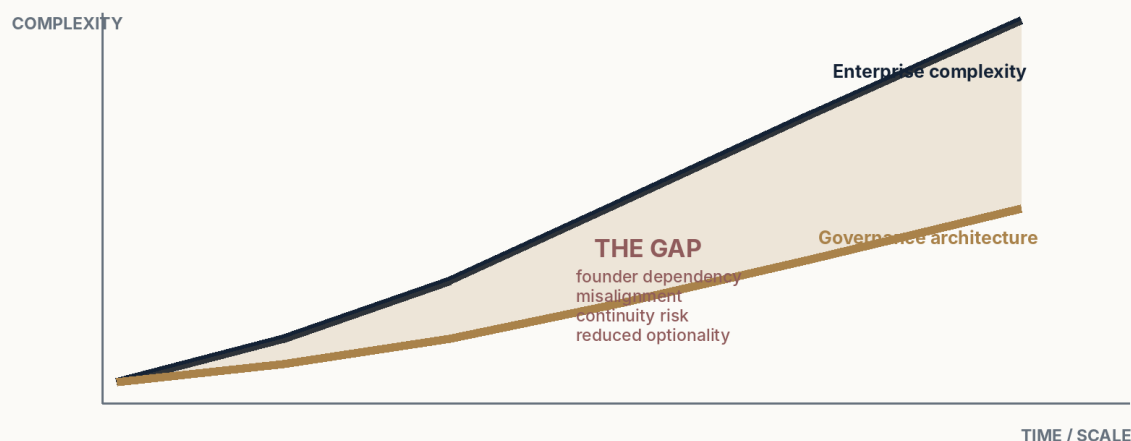
Founder translation

Do not ask: "Am I wealthy enough for a family office?" Ask: "Has my business, wealth, family and adviser network become complex enough that fragmented decision-making is now a risk?"

Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 7 and 36.

GOVERNANCE DEBT

When enterprise complexity compounds faster than the architecture supporting it



Illustrative concept, not a J.P. Morgan chart.

AP Advisory concept graphic. "Governance debt" is an analytical framework used here to describe the gap between rising enterprise complexity and the architecture supporting it.

2. Your brokerage belongs on the family balance sheet

The operating business is often the largest risk and the largest opportunity

One of the most directly relevant findings appears in J.P. Morgan's dedicated section on operating businesses. Fifty-eight percent of surveyed families currently have a separate operating business. Another 29% had one previously. Only 12% have never owned one.

J.P. Morgan then identifies a striking disconnect. The operating company often represents a concentrated and primary source of family wealth, yet only 48% of business-owning families consider the operating company when allocating the family's investment portfolio.

For a mortgage brokerage founder, the same blind spot can appear in a more familiar form. The founder may have a wealth adviser managing a diversified portfolio, while most of the founder's economic exposure remains tied to one private enterprise, one sector, one regulatory environment, one management team and often one individual: the founder.

A \$12 million brokerage alongside a \$3 million investment portfolio is not a diversified family balance sheet simply because the \$3 million portfolio contains multiple asset classes. The business itself must be considered as part of the founder's overall concentration, liquidity and risk architecture.

This is why I believe enterprise value, personal value and financial value need to be considered together. Cash retained in the business, founder remuneration, dividends, debt, acquisitions, personal investment, liquidity buffers, ownership changes and eventual sale proceeds all interact. Optimizing one without understanding the others can create the appearance of progress while reducing the founder's real optionality.

“A founder does not have a business strategy over here and a wealth strategy over there. Economically, it is one balance sheet and one future.”

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Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, p. 30. The numerical example is illustrative and is not drawn from the J.P. Morgan survey.

3. Succession is a business strategy, not an exit event

The 86% statistic should concern every founder

The most arresting number in the report is 86%. That is the proportion of surveyed family offices without clear succession plans for key decision-makers. More than half recognize the absence of such a plan as a risk to continuity and effectiveness, and one-third rank it among their top three risks.

This is not a failure of intelligence. These are sophisticated organizations. It is evidence that succession is difficult precisely because it crosses ownership, leadership, family, identity, authority, economics and timing.

In mortgage broking, succession is too often reduced to a transaction question: 'Who will buy my business?' That is one possible endpoint. It is not the strategy.

A credible succession architecture asks earlier questions. Who can make decisions if the founder is unavailable tomorrow? Who owns the key referral relationships? Who understands aggregator, lender, CRM and banking arrangements? Who knows the management economics? Who has authority? Who speaks to the family? Who can

coordinate the accountant, lawyer, insurer, lender and wealth adviser? What happens on incapacity rather than retirement?

If the answer to most of those questions is still 'the founder', the business may be profitable and valuable, but it also contains a concentration risk that has not been fully institutionalized.

The practical distinction

Exit planning asks how the founder eventually leaves. Succession planning asks whether the enterprise, ownership group and family can continue to function if the founder is no longer carrying every critical dependency.

Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 20 and 27.

4. Governance debt is a hidden founder risk

Informality is efficient until the business becomes too valuable for it

Eighty-three percent of surveyed family offices report some form of formal governance. Governance adoption increases as families span more generations and their affairs become more complex. J.P. Morgan's language is important: structures often begin informally and become more formal as families, wealth and enterprises grow in scale and complexity.

That progression mirrors a successful brokerage. In the early years, founder instinct is often a competitive advantage. Decisions are fast. Roles are fluid. Information travels through conversation. The founder can hold the entire business in their head.

The problem is that the operating model may continue long after the enterprise has outgrown it. A larger loan book, more brokers, more staff, greater recurring revenue and a larger family balance sheet can sit on top of decision processes designed for a small founder-led practice.

I call the resulting gap governance debt. It is the accumulation of unresolved dependence, undocumented decision rights, unclear accountability, fragmented information and relationships that remain attached to one person.

Governance does not mean creating committees for the sake of committees. In a privately owned brokerage it may be as practical as a recurring strategic review, clear management authorities, an advisory board, documented ownership protocols, key-person continuity plans, defined financial reporting, shareholder decision rules and a disciplined cadence for reviewing strategic priorities.

“Good governance is not bureaucracy. It is the minimum structure required to stop a valuable business from depending on memory, personality and luck.”

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Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 22 to 23. “Governance debt” is AP Advisory terminology.

5. The founder should not remain the integration layer

Excellent specialists do not automatically create an integrated strategy

J.P. Morgan's report confirms that sophisticated family offices make extensive use of external expertise. Legal services, cybersecurity, trading and investment functions are commonly outsourced, and 80% of family offices use some degree of investment outsourcing.

The significance for founders is not merely that outsourcing works. It is that mature private wealth structures distinguish between specialist capability and strategic coordination.

A successful brokerage founder may already have an excellent accountant, lawyer, wealth adviser, lender, insurance adviser, management team and, at particular moments, an M&A adviser or capital partner. The problem is that each specialist sees the founder through a different professional lens.

The accountant may optimize tax. The lawyer may optimize legal protection. The wealth adviser may optimize the investment portfolio. The management consultant may optimize the business. Each can be correct in isolation while the combined result remains strategically incoherent.

When nobody is explicitly accountable for the whole picture, the founder becomes the integration layer. That is workable while the system is simple. As complexity rises, it becomes a bottleneck and a continuity risk.

THE PRIVATE STRATEGIC OFFICE™ AS THE INTEGRATION LAYER



The PSO does not replace specialists. It prevents the founder from having to remain the only person who integrates them.

AP Advisory concept graphic based on the operating model described throughout the J.P. Morgan report. The PSO is positioned as a coordination and strategy layer, not a substitute for licensed or technical specialists.

“The founder who remains the only person able to connect every adviser, entity, relationship and decision has not solved complexity. They have centralized it.”

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6. Use family office disciplines without family office scale

Borrow the architecture, not the cost base

The family office model offers a useful set of disciplines: integrated reporting, governance, succession, continuity, long-term capital thinking, external specialist coordination, family engagement and preservation of institutional memory.

A successful brokerage founder usually does not need a dedicated CIO, CFO, general counsel, investment team and administrative staff. The founder may, however, benefit greatly from applying the underlying disciplines proportionately.

Family office discipline	Founder-scale translation
Integrated balance-sheet view	Treat the brokerage, personal investments, debt, liquidity and family obligations as connected economic exposures.
Formal governance	Use clear decision rights, shareholder protocols, strategic meeting cadence and documented accountability.
Succession planning	Plan for management, ownership, incapacity, family continuity and eventual liquidity before a transaction is imminent.
External expertise	Use specialist advisers deliberately, but coordinate them through one strategic architecture.
Institutional memory	Maintain records of major decisions, ownership intentions, adviser roles, continuity procedures and open strategic issues.
Rising-generation engagement	Prepare family members for wealth, governance and stewardship even if they never work in the brokerage.
Long-term capital allocation	Decide deliberately when cash belongs in the business, outside the business, in acquisitions, in debt reduction or in family liquidity.

This is the logic behind the Private Strategic Office. It is not a claim that a brokerage founder needs a family office. It is an argument that the disciplines of sophisticated stewardship become valuable much earlier than the economics of a conventional family office.

Source foundation: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 24, 30, 33 to 40. Founder-scale translations are AP Advisory analysis.

7. Institutionalization changes the standard of readiness

Capital is increasingly comfortable with private operating businesses

The investment section of the report deserves a careful reading, but not an exaggerated one. J.P. Morgan finds that private assets are becoming a larger strategic pillar for family offices. Thirty-seven percent plan to increase private equity allocations over the following 12 to 18 months, and 2.5 times as many offices expect to increase private investment exposure as reduce it. Sixty-four percent already use direct minority ownership positions and 49% use direct majority positions within their private investment portfolios.

These findings do not prove that global family offices are preparing to acquire Australian mortgage brokerages. The report does not support that conclusion, and its Australian sample is too small to make local predictions.

The more defensible implication is structural. Sophisticated private capital increasingly treats private operating businesses as investable assets and is comfortable using direct ownership structures. At the same time, Australian mortgage broking continues to mature in scale, economic significance and control of distribution.

For founders, that raises the standard of readiness. When sophisticated capital, an acquirer, a strategic partner or even a future management team examines the business, entrepreneurial energy is not enough. They also look for clarity around earnings quality, governance, data, leadership depth, ownership, succession, concentration and continuity.

The purpose of institutionalization is therefore not to make the brokerage corporate for its own sake. It is to make the enterprise capable of carrying institutional scrutiny without destroying the entrepreneurial behavior that created the value.

“The real opportunity is not simply to institutionalize the business. It is to institutionalize what matters while protecting the entrepreneur who built it.”

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Source: J.P. Morgan Private Bank, 2026 Global Family Office Report, pp. 17 and 19. The implications for Australian mortgage broking are AP Advisory inference, not findings of J.P. Morgan.

8. The Private Strategic Office as founder architecture

What the model is designed to do

The Private Strategic Office begins with a simple observation: successful founders usually do not lack advisers. They lack an integrating architecture across the advisers and across the decisions.

The word Private matters because the office is designed around one founder, one ownership group or one entrepreneurial family. Strategic matters because the agenda is limited to consequential, interconnected and long-

horizon decisions. Office matters because the value lies in continuity, coordination, governance, records, process and accountability, not only in periodic advice.

The PSO should not practice law, tax, investment management or other regulated disciplines unless the appropriate licensed professional is doing that work. Its job is to frame the problem, identify dependencies, determine sequence, coordinate specialist input, challenge assumptions, preserve context and keep the founder's business, personal and financial objectives aligned.

SEVEN CORE FUNCTIONS

1. Strategic architecture

Maintain the integrated view of business, personal and financial priorities, including dependencies between them.

2. Enterprise value stewardship

Treat the operating business as a central family asset and monitor value creation, concentration, founder dependency and transferability.

3. Governance

Build proportionate decision rights, reporting, ownership protocols, advisory structures and accountability.

4. Succession and continuity

Prepare for voluntary succession, incapacity, management transition, ownership transition and liquidity as distinct but connected issues.

5. Adviser coordination

Act as strategic quarterback across accountants, lawyers, wealth advisers, lenders, insurers, consultants and transaction specialists.

6. Founder and family alignment

Clarify lifestyle, identity, values, family involvement, stewardship expectations and the founder's next chapter.

7. Optionality

Improve the founder's ability to grow, hold, delegate, partner, recapitalize, take liquidity, transfer, sell or do nothing from a position of strength.

The PSO is therefore best understood as a permanent strategic layer around the founder's world. It is designed for the stage after entrepreneurial success has created meaningful complexity, but before that complexity is allowed to reduce freedom, resilience or enterprise value.

9. A practical founder test

Twelve questions that reveal whether the architecture is keeping up

- 1 If I were unavailable for 90 days, who could make the important decisions without guessing?
- 2 Do I know what percentage of my family's real economic exposure sits in the brokerage?
- 3 Could another person explain our ownership structure, key entities, debt, insurance and adviser roles accurately?
- 4 Are our key referral, lender, aggregator and staff relationships institutional or still primarily personal to me?
- 5 Does the management team have genuine decision authority, or merely delegated tasks?
- 6 Do my accountant, lawyer, wealth adviser and business advisers understand the same long-term plan?

- 7 Have I defined what financial independence actually requires, separate from what the business might eventually sell for?
- 8 If a capital partner approached tomorrow, would I know what I want before hearing the price?
- 9 Do my family and key executives understand my intentions around ownership, succession and continuity?
- 10 Is important business knowledge documented, or does it still live mainly in my head and inbox?
- 11 Am I building a business that can survive me, or only a business that performs because of me?
- 12 Could I say no to an attractive offer because I have enough value, alignment and preparation to choose another path?

How to read the test

A founder does not need to answer “no” to all twelve questions to justify action. The pattern matters. Multiple unresolved questions usually indicate that the business and family system is relying on the founder as its undocumented architecture.

10. The decision is not whether you exit. It is whether you can choose

Optionality is the real strategic outcome

Exit is only one possible destination. A founder may want to continue operating, step into a chair role, appoint professional management, introduce a minority investor, make acquisitions, create partial liquidity, bring family into ownership, transfer to management, merge with another business or sell outright.

The quality of those choices depends on work done before the decision becomes urgent. Enterprise value matters. So do management depth, governance, family alignment, personal financial independence, continuity and clarity about what the founder actually wants.

This is why I think optionality is a better organizing principle than exit. The founder's objective is not to predict one future and optimize everything around it. It is to build enough value, structure and alignment that several futures remain credible.

OPTIONALITY IS AN ARCHITECTURE, NOT AN EVENT



AP Advisory concept graphic. The pathway is illustrative. Founders may move between these choices rather than follow a linear sequence.

“Optionality is not having more offers. Optionality is having enough preparation, value and alignment to say yes or no on your own terms.”

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CLOSING PERSPECTIVE

Complexity is a success problem. That does not make it harmless.

J.P. Morgan's report is valuable because it demonstrates that sophistication in one area does not automatically produce readiness in another. A family can manage substantial wealth and still lack succession. It can employ exceptional advisers and still face coordination risk. It can own a successful operating business and still fail to integrate that business into the family's wider risk picture.

Mortgage brokerage founders encounter the same structural tensions at a smaller scale and often much earlier. The business becomes valuable. Wealth accumulates. Families and teams become more dependent on decisions that used to be informal. External capital becomes possible. The founder's own time becomes scarcer. The consequences of a mistake become larger.

The answer is not to create bureaucracy. It is to create enough architecture to protect what success has built.

That is the rationale for The Private Strategic Office™. It sits around the founder as a strategic continuity and coordination layer, helping connect enterprise value, personal priorities, financial architecture, ownership, succession, advisers and the next chapter.

The ambition is simple: build value, create alignment, protect continuity and preserve the founder's right to choose what comes next.

Source, methodology and interpretation

Primary source: J.P. Morgan Private Bank, 2026 Global Family Office Report: A Worldwide View Into Family Office Strategy. The survey reflects 333 single family offices across 30 countries and was conducted from May 2025 through July 2025. The report is global and heavily weighted to the United States. Australia represents 2% of respondents.

Accordingly, J.P. Morgan's numerical findings should be treated as evidence about global family office practices and priorities, not as direct benchmarks for Australian mortgage brokerage founders. Where this paper translates those findings into implications for Australian mortgage broking, that translation is AP Advisory analysis and inference.

The paper does not provide legal, tax, investment or financial product advice. Those matters should be addressed with appropriately qualified and, where required, licensed professionals. The Private Strategic Office model described here is a strategic architecture and coordination framework.

REPORT REFERENCES USED IN THIS PAPER

Topic	J.P. Morgan report pages
Survey scope and participant profile	pp. 3, 6 and 7
Governance, succession and rising generation	pp. 20 to 29
Operating businesses and business-owning families	pp. 30 to 31
Strategic priorities, operational risks and cost structures	pp. 32 to 40
Private investment allocations and planned increases	pp. 17 to 19

ABOUT THE AUTHOR

Ash Playsted

Ash Playsted is the founder of The Private Strategic Office™ and Principal Adviser at AP Advisory. His work focuses on helping mortgage brokerage founders build more valuable businesses, create strategic optionality and navigate succession, capital, liquidity and exit through an integrated business, personal and financial lens.

THE PRIVATE STRATEGIC OFFICE™

Strategic counsel for founders whose success has
created decisions too important to manage in
isolation.

Build value. Create alignment. Protect continuity. Preserve optionality.

ASH PLAYSTED | AP ADVISORY

ashplaystedadvisory.com.au | ash@playsted.com.au | +61 419 808 885

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