



## PODCAST TRANSCRIPT

# Family Office Data Insights & Trends, with Russ D'Argento

Season 01 | [Episode 07](#)

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### **Mark Wickersham (01:24):**

Alright, Russ, thanks for being on the show. I'm excited for this conversation. I wonder if you could just tell the viewers a little bit about yourself and a little bit about FINTRX.

### **Russ D'Argento (01:33):**

Yeah, sure. Excited to be here. Thank you for having me, Mark. So I'm the founder and CEO of FINTRX. A bit about me. So founded the company 10 years ago. Initially really built on the back of a personal pain point that I was encountering while raising money in the hedge fund space. So simply put, there was just a massive inefficiency when kind of navigating my way through the private wealth and family office market at that time. It just seemed very fragmented. The data that I was looking for just wasn't there, wasn't available. And so that's what led me to spawn out and be the genesis for creating FINTRX. So since that launch, obviously things have changed around here. We've continued to grow really quickly and today operate as a hundred plus person, team based here just south of Boston. And really offering vertically integrated platform, providing very comprehensive wealth data across the family office, RA advisor, broker dealer ecosystems, as well as endowments and foundations, which we've recently rolled out.

### **(02:46):**

And so we offer that to thousands of users globally and really drive towards ultimately empowering them to map or access or even sell into this wealth landscape more efficiently. And to that point, anyone who has ever targeted these channels can really appreciate how difficult and trying that can be incredibly time consuming. It can be very fruitful, but the fragmented nature with all these disparate data sources can be really tough to tackle or tackle efficiently. So we really solve for that at the core level and it really has been our mission right from day one to regardless of your use case, whether you're raising money for a fund, distributing products, ETFs in the alternative sector, the traditional sector, regardless of the medium, our goal is to really take all of that data, put it into a really digestible, searchable format for you, and then

provide analysis and insight on that data to allow you to use it very efficiently in a personalized manner.

**Mark Wickersham (03:50):**

It certainly is a tough space to target sometimes, especially on the private side. That's what it often said, that it's kind of an industry you got to be invited into. Have you seen a change in attitude with family offices in terms of willing to be approached in terms of trying to gather outside information? I know there's benefits for family offices as well as firms trying to target family offices. So have you seen any discernible attitude difference and shift in family offices over the past 10 years? It seems like they've become a lot less insular since Covid.

**Russ D'Argento (04:26):**

I would agree with that. I think there's definitely a palpable shift that I can see since first starting the company to today around the forward facing nature of family offices and how they present. And not to say that they are as forward facing as a PE firm or a VC shop or something like that. But that being said, when first starting the company, most of these firms were totally off the grid. That's still the case to some capacity, but I think there's a deal flow component to this as well where a family is making direct investments, for example, or even into funds and they want to ensure that they're doing everything in their power to make sure that they're getting access to good deal flow and at least people know who they are in some shape or form that has really shaped that. And so I don't think it will ever be just from the, unless there's a regulatory change with filings where family offices will be as transparent. But there's definitely been a switch there and I think that's been really good for us in our business and kind of runs in line with some of the macro trends within family offices today in terms of their growth and where they're investing.

**Mark Wickersham (05:40):**

Certainly has been a growth in that market, both on the private side and the commercial. Hey, before we get too much into talking about the industry and some of the trends, whenever I get a chance to talk to a founder, I always love to hear their kind of journey a little bit more. And now that you've been at this for 10 years, and obviously your business is in a great path right now, looking back on the past decade of starting a business, what was maybe a little bit harder than you thought and what advice would you give to your younger self?

**Russ D'Argento (06:12):**

There's a lot there. So the founding journey as a whole is a winding road. We'll say it that way. My journey in particular really became or kind of

spun out of a fascination with data. I was a baseball player prior to doing this. I was really kind of my entire world and what I focused on almost solely from the time I was whatever, eight years old. And so after that journey finished after college, I started a data business and that business was focused on the baseball market and tracking top prospects and things like that ultimately was a really fun and interesting thing to do. However, it wasn't the large market and kind of medium that would ultimately be it for me, but that really taught me and kind of gave me the understanding of the power of data and using data and providing layers of intelligence on that data to specific verticalized markets and how valuable that can be. And so this opportunity here in founding Fins speaks to that. It's just a different medium, but the same kind of theory applies. So in our world it's all about private wealth and the wealth markets and providing transparency and actionable insights and data to that market. In terms of advice founding the company, I would say a couple of things. First, so many great businesses are spawned out of a real need. So for me that was very clear. I didn't go into that role of raising money thinking, Hey, I'm looking for a problem to find.

**Mark Wickersham (07:56):**

You lived the problem, you knew it well.

**Russ D'Argento (07:59):**

Yeah, you lived it. Start with a real problem. I think that's super important. Also, learn to do a little bit of everything in the early days. Be a builder, be a creator. I think that's very valuable for us. We at bootstrapped the business. So byproduct of that is you have to learn how to do an array of things product. And in the early days you're doing everything. Marketing, accounting, design, building the website, creating messaging, doing sales, the list goes on. And lastly, resiliency. I would say this is not for the faint of heart. I'll say that it's not easy. It's really rewarding watching your team grow and creating some really wonderful relationships and all of that. But you have to have a massive amount of conviction. I would say you have to be really competitive and there's definitely a piece of entrepreneurship that's just simply about how bad do you want it and how much friction and pain are you willing to withstand, especially in the early days. But conviction would be my biggest piece of advice. You got to have it.

**Mark Wickersham (09:09):**

I feel like there could be a whole podcast here Russ.

**Russ D'Argento (09:12):**

Agree. Yeah, it's the...

**Mark Wickersham (09:13):**

There could be whole podcast series even I'm sure there is. Speaking of relationships, I know you have a great relationship with the Schwab family office group. We're both big fans of Betty Brown. You guys do a quarterly report. Are there any insights that you can share from the past couple reports?

**Russ D'Argento (09:30):**

Yeah, I would say, and there's a through line here, probably much of what we might chat a little bit more about today in terms of the overarching themes within the family office space. But I think my biggest takeaway from that report is really the emergence of tech investments just as a sector, certainly within funds, but really heavily within the direct investment landscape and how that is really starting to shape the direction of some of these family offices, both on the single and multi-side and even more to that point. And along those lines is the source of wealth and the takeaway there around how that is so highly correlated. And tech is a great example of that into the areas where families have created wealth, made their money, and how that is highly correlated to sectors and industries for which they invest directly back into. That makes sense to me.

**(10:28):**

That has logic. You know, understand a specific industry, a specific space, you can really add value there, especially on the direct side where you have input, sometimes you have a board seat, you have a seat at the table and you can make an impact there. We're a good example of that. Our lead investor, Jason Krantz is the former CEO, but is the founder of Definitive Healthcare, which is a data company. He founded that company, led it all the way through to an IPO a few years back, massively successful outcome. And he's a great example of that. So Definitive healthcare is a data company just like us. It's in a different medium, healthcare versus financial services, but the ethos there, it makes sense. He has been very, very helpful to us. He understands the data business, he has a board seat, he can have impact. And so that was probably the biggest takeaway from us. The numbers really jumped off the screen with whether it was tech or real estate or even things like manufacturing. It doesn't really matter what the medium is. Investing directly back in allows them to have a really nice impact and not just another PE firm, another portfolio company, you're taking money from someone who can really add value.

**Mark Wickersham (11:48):**

They say data's the new oil. So regardless of the industry you're seeing in

healthcare is one of those other ones that's ripe for disruption and needs more of an approach like that. Right?

**Russ D'Argento (12:01):**

Complex, complex data. It almost is the more fragmented, the more complex, be it proprietary or not, makes for the better story and the better product there, right, the better oil.

**Mark Wickersham (12:15):**

Let's talk about the family office market in general. It does seem like there's been an acceleration of that. It does seem like it's a winning business model both on the private side, the single family offices. We're seeing numbers there that they're expecting the growth of that market both domestically and internationally approached 10,000 family offices. And then you see the commercial side is certainly the word gets used and abused a little bit, but you certainly see a lot more multifamily offices and that model seems to be a winning family model as well. Considering the shift of assets from wirehouses and whatnot, what does the data say, what do you see in the market in terms of growth and do you see any differences between those two segments?

**Russ D'Argento (12:59):**

We definitely see growth, right? The family office sector has experienced tremendous growth in the last handful of years, I would say. I think that is paired both to the single and the multifamily office side. Equally, we obviously Fins provides some really insightful comprehensive data in that channel, specifically single and multifamily office. And what our data shows is the formation numbers are now into probably the five to six to 7,000 range in terms of family offices globally. You see numbers all over the place there...

**Mark Wickersham (13:39):**

Numbers quoted everywhere.

**Russ D'Argento (13:41):**

And we attribute that to a couple of things. One are folks counting or not counting these investment firms that do a number of things. And one of those things is they have a large family office services arm. Another is what makes a true single family office. Is it 50 million and above? Is it 250 million and above? There's such a range there, but I think the through line is their major tailwinds. The numbers are growing in this market and it's really a market that it can't be ignored. It can't be ignored anymore, even from the largest asset managers as they're thinking about this market from an LP standpoint, the wealth transfer that's taking place there is real, those assets are finding their way into

the SFO market with new launches and the MFO and advisor RIA channels finding itself there as well. And lastly, I would say there's definitely a complex and diversified piece to this as well where family offices are just engaging in investment types and strategies and approaches that they typically were not doing at the scale and size that they were three years ago, five years ago, 10 years ago. And I think that's just a really important thing to note and that has long tail effects on these families as it pertains to the type of talent that they need in order to diligence these investments, whether it be alternatives, directs, et cetera. So it is a really exciting space. The tailwinds are there and candidly, when we started the company, this market was so much more niche and bespoke than it is today. Candidly, many of these family offices look and feel like PE shops. It's just a...

**Mark Wickersham (15:34):**

They're very institutional. They're certainly not near the retail scale there. Most many are very institutional quality firms, right?

**Russ D'Argento (15:44):**

No question.

**Mark Wickersham (15:45):**

With the investment trends, where do you see that? Certainly there's been a lot of talk about a continued, and this has been a long-term trend, a continued exposure and increasing their exposure to private equity, but also more direct deals. Where are you seeing what's the data saying in terms of how the investment trends are shifting for these family offices?

**Russ D'Argento (16:05):**

So I agree with you certainly trends all over the board regarding kind of move towards direct investments. We see that as well and it's real, it's palpable. A couple of other things that I would add to that is really less about the investment trends and more about just the trends that we're seeing with the turnover and families, generational turnover with this wealth transfer and the need or I guess desire for what a new family office, what a reimagined family office looks like today and the service offerings and whether it's an MFO or what the family members want with that generational turnover in a single family office is so different. Those trends are constantly evolving. For example, ESG investments or philanthropy or more scrutiny on the types of investments that are made in terms of sectors or sectors that they're not investing in. Younger generation, generational turnover. They care a lot more about those things oftentimes on equal level or maybe even more than pure p and l and performance. That's a major trend.

**Mark Wickersham (17:14):**

ESG considerations

**Russ D'Argento (17:16):**

Or just the types of investments that the family is making, how they're creating a return and purposeful investment versus just compounding capital at all costs. That's an interesting one. And another one is just about the adoption of technology and maybe Covid had something to do with this, but we're seeing just a higher level of tech adoption within the family office market. And look, just as an aside our world, call it throw a blanket over it, financial services tends to feel like it's, I don't know, five, 10 years behind in terms of tech. I am not sure exactly why that is. The younger generation today, whether they're with a really high end advisor or they're a family member at a generational single family office, tech is important. They want transparency. They want to pull up something on their app and be able to find insights and navs and long form paper statements that doesn't feel like where it's at.

**Mark Wickersham (18:17):**

60 days after the quarter end, right?

**Russ D'Argento (18:20):**

Exactly right. It's like a generation where you get everything exactly immediately when you want it in the

**Mark Wickersham (18:27):**

Device of choice, right?

**Russ D'Argento (18:29):**

Yeah, exactly. So that's a big deal. So that clarity and transparency that the customer wants there, regardless if it's within a generational SFO or the wider kind of advisor MFO channel, the reporting in tech and how that information is disseminated out to the customer is really important. And we're seeing a large increase in wealth tech and a lot of the wealth tech is solving that problem. We're trying to solve that problem, kind of doing what we're doing. But on the other side of the trade ingesting all the information, the reporting information, bringing clarity to it and presenting it back to the customer in a really easy to digest manner.

**Mark Wickersham (19:09):**

It's been an interesting trend. I think Covid debt definitely accelerated it. I don't think it was an existing trend that was the family office. Like you said, it's always kind of maybe a little bit slower acceleration, but the same trends exist. Then you see two factors. You see that the next gen, which are digitally native, grew up post, post-internet, expect information on their phone when they want it. But there are also this



consumerization of it that's happened even with the older generation where the older baby boomers, gen X, they're comfortable with a tablet, they're comfortable with a phone, they have a certain experience at their Fidelity or Schwab that is digital and is graceful. Or when they look up information on Google, it's instantaneous. And then they turn to their family office and they're kind of like, Hey, why is there a difference here? So I think that is interesting within your business, obviously the data business, but how has machine learning AI and some of the tech trends impacted you as a builder of technology?

**Russ D'Argento (20:15):**

Greatly has been and will continue to just have a massive, massive impact for us. It's really been transformative here, both internally as well as kind of what we have built and launch and continue to build forward facing to our customer side. So our end buyer is really anybody in financial services, a big market. But if you kind of drill down into a tighter lens of that, it's anybody in traditional investments, alternative investments, raising money, distributing products, handling m and a, doing recruiting, whatever, there's a myriad of use cases. All of that pairs down to the consumption of data and consuming that data in a really intelligent manner. So AI has allowed us to do so much to help further that and accelerate that for them. So that can be on the backside of the house. So allowing us to clean data into pipelines and process it and analyze it so much faster than we could before for our clients and ingest it from even more sources.

**(21:28):**

That's been a major help. We leverage all types of tech and we have for a long time, but I would say over the past year and a half we've been able to just really turbocharge that. We use machine learning a ton to do that and really help identify whether it's inaccuracies in the data from where we're ingesting it or in our data sets itself to allow us to just give a much more reliable on a scalable level data assets on single multifamily offices, investment advisors, broker dealers, endowments, foundations, et cetera. It's been a force multiplier for us, certainly. And then on the other side of the house, what we have in our product and what we present, we've done a of things there and I think they've been and will continue to be just transformational. So what does that look like? Probably eight months ago, nine months ago, we launched AI search, which is in our product, which is just an incredible way to kind of access our data...

**Mark Wickersham (22:28):**

That prompt based data access.



**Russ D'Argento (22:30):**

It's natural language. So you think about any data company, we have hundreds of filters, we have millions of records, just our UI is beautiful, it's really well done and it's easy to navigate, but at the end of the day, you still in any data product you need to go in, put the filters in to pair it down kind of in a funnel approach. This AI search function is just like, Hey, I need to find single family offices within 20 miles of New York City that allocate to hedge funds, that created their wealth in entrepreneurship and help me find the CIOs and investment committee members there. Boom, it will run that query and bring that back to you. So that's very different than going in and entering those seven or eight filters or whatever that was. That was kind of the first leg of what we've done there.

**(23:18):**

It's had a massive impact for our customers. And as one aside there when building that out and kind of launching that, the theory here for us was like, Hey, this is really going to help maybe the more tech savvy end user of ours. But what we found was really that rang true, but also the opposite was even more true. And that is maybe someone who's been around the industry for a long time, they are trying to get the information they want it quickly. They were able to adapt that AI search equally as quick. We were really surprised by that. That's been helpful for us. And then this next leg of what we're rolling out now, I call it over the next six weeks, is really around analysis with ai. So we have the search function which help you get to the data, and then the analysis pieces is all about extracting insights and trends and growth over time and finding your best path into firms introduction opportunities.

**(24:20):**

We've built a number of models that we just never could have done before without AI to do that. And lastly, we sit on a ton of data. We are, to your point earlier, data is the new oil. And just by happenstance and pure good fortune, this has been dropped in our lap and we've hired a number of AI focused engineers to really expedite this. But the reality is our data's big. It's changing all the time. People changing jobs, email changes, role changes, new launches, investment activity, all these things. And we can now point our scalable models at that and digest and pull out insights almost instantly. So it's amazing if you can't tell, I get really excited about what we've done and where we're going with ai. I feel it's future of tech in general, but I think it's going to be just an accelerator for tech businesses that have a data layer or data component to them, which we do.

**Mark Wickersham (25:21):**

Yeah, I mean they say the futures here is just not evenly distributed. And there's some firms that are really taking advantage of AI with the natural language search. You don't need to know how to use the system anymore regardless of how graceful and usable it is. What you want is that from a business perspective, you just tell it in natural language and you get the results that you want. That's incredibly powerful and that's, nevermind that then what can be done with it afterwards. So really, yeah, where it's,

**Russ D'Argento (25:53):**

It's going, we know what it looks like today, but I think so much of it is for companies like ours is to build outputs, build products, build features, build functionality with AI that feel natural within the product, right? I'm an internal wholesaler, an external wholesaler, somebody on an IR team. When I come into a product and I want to leverage the tool or leverage ai, it shouldn't feel like it's slapped on as an afterthought or kind of bolted on.

**(26:21):**

And I think that's what you're seeing. And we use a lot of products too, and our vendors oftentimes it kind of feels like it's an afterthought, which it is. That's the reality of it. We didn't have this four years ago. So I think that's a big component to it as well. And we'll really kind of by fate where, in my opinion, where AI becomes super successful and adopted and used within products and where it does not. And that is how native does it feel to the experience to the user, and how valuable is it to either helping them get to data or information they want to or extract insights from data and information that they otherwise were not able to do prior to the adoption of ai.

**Mark Wickersham (27:02):**

This has been a great conversation, Russ, just want to wrap it up on a personal note. I know that you played varsity a baseball for U Conn. How does being a collegiate athlete shaped your professional career?

**Russ D'Argento (27:16):**

Heavily? Yes. I would say heavily. It teaches you failure. It teaches you that you're always, you're going to be a freshman and the low man on the totem pole at some point, competitiveness team first, a rising tide raises all ships. Our coaches say that all the time at UConn. And I think there's just also something that kind of inherently becomes hardwired in you that just makes you gritty. And you're up at five, six in the morning running and lifting and doing shit outside in the rain, and it is just like, it makes you just a little bit, yeah, it's not always glorious. Of course, when

you have a big East weekend and you're playing under the lights at Notre Dame or something like that, that feels glorious to your parents who come and watch what have you, but the lead up to there, and that's...

**Mark Wickersham (28:10):**

Hours to put in. Yeah,

**Russ D'Argento (28:11):**

Yeah. It's any sport, right? Also, I think relationship building, team building and all of that really transferable to business. And candidly, a lot of what you see here within our team is built like a team. We're not a family. We are a team. You can't pick your crazy uncle, but you can work and maneuver around your teammates. So that presents itself to create a merit based environment where you have to earn it every single day. I talk to the team about that all the time. We are a team first, and you have to really feel like you earn your right to do whatever you do every single day. I think that's really important. Competitive and resourcefulness, all those things that a wonderful teammate is made up of, regardless if they're on the baseball team, the football team, the track team or on a sales team or a data and research team, whatever it is, a great teammate makes people around them better and rises up the level of the team. And I think that runs true for business teams as well. So not always executed perfectly, but that's how we strive to build our team.

**Mark Wickersham (29:31):**

You had a chance to play in the Cape League. Do you have a favorite Cape League story? If you want to share?

**Russ D'Argento (29:36):**

Yeah, I mean, man, I have a bunch. Yeah. So I played in a few different summer ball teams, the C league, the N-E-C-B-L. I would say my biggest takeaway from those leagues, which for anybody listening who's not overly familiar, which are probably not, college baseball's not very important, but you live with stranger families. That's how that works. So the model is whether you're playing in the Cape League, we'll use that example, or the NCBL, you finish your college season, so you're 18, 19, 20, 21, something like that. And then you get shipped off to whatever, Chatham or Iowa and playing in a league in the Midwest, or one summer I spent in Keene, New Hampshire. And you live with host families who bring you in, you don't know them, you've never met them before. You show up there one day with your bag and this family welcomes you into their home and you sleep in a spare bedroom and whatever.

**(30:38):**

It's a really interesting thing, and I think one of my favorite stories spawns off of that. So one summer I was in Keene, as I mentioned, and my host family, they had a tie to the local golf course and my summer job, they also give you a job. Everybody lives with a family and you get a job. So some of my buddies were working at the fish market doing things like that. Other people were working outside on roads, in local school systems, whatever. My summer job, along with my roommate within the family was to cut the greens, the local golf course for a context. I did not golf at the time as a golfer. Now I look back at that story, I did it with my buddy Kevin Malillo, who actually had a cup of coffee in the big leagues. It was an amazing, amazing player and a great guy went to the University of South Carolina.

**(31:35):**

So if you picture us, we laugh about this today, two like 19-year-old kids at 4:45 in the morning, it's pitch black. We're absolutely exhausted and we're out mowing greens, no idea what we're doing. Hacking it up. And I look back at that story today and just think as a golfer, the damage that we must've done the golf course at that time is just a site to behold. But there's so many things like that, and I think the through line there is my favorite stories as it pertains to my baseball career are never about that big win we had or that big hit or whatever. It's all about just relationship stuff. And I talked to our team about that a lot here too. Enjoy the journey, meaningful work, meaningful relationships. Those are the types of things that will move the needle for you in time when you look back on different experiences. And I think that's a perfect example of that. It's those kinds of things that I really value.

**Mark Wickersham (32:36):**

I love it. Just wrapping it up here, one final question. We're obviously talking about data, we're talking about baseball. How do you feel about the nerds taking over baseball? You a fan or in the game? What do you think?

**Russ D'Argento (32:50):**

Funny enough, I'm no longer a fan. I think it's over indexed. And I don't think that's indigenous just to baseball. I think all sports have become too notified. I think probably one day in a prior world it was overindexed the other way, all on gut feeling. And then I think there was a lot of validity to the Moneyball thing and in all of that, which led to that being adopted into football in every other sport. But I mean, there has to be some component to it where it's feel and wherewithal. And I do feel like that's been a bit over index. So my answer would be no. I'm not a big fan

of that. And I think also, funny enough, data backs that up. Oakland never really turned into anything great with big and Moneyball, and it usually comes down to spend.

**Mark Wickersham (33:43):**

Offense is down now, right?

**Russ D'Argento (33:44):**

Yeah. I lost their creation. But yeah, over index. You see it also with NFL teams constantly going forward on four, going for two. I was looking at a booklet...

**Mark Wickersham (33:54):**

Players that they're pitching a perfect game and they're pulling them out. It's like, what are we doing?

**Russ D'Argento (33:58):**

I know, I know. Because the data says the pitch count on his next start be actual

**Mark Wickersham (34:02):**

Ruining the product. It's crazy. Totally. I feel like the product got a little better with the pitch count, but being a Red Sox fan, it's tough these days. It's been tough for a long time.

**Russ D'Argento (34:12):**

Being a Red Sox fan in general is tough. Netflix threw us a little bone there with that. Nice. 2004.

**Mark Wickersham (34:19):**

Those are the days.

**Russ D'Argento (34:19):**

World Series 2005. But yeah, it's tough being a Red Sox fan. No question.

**Mark Wickersham (34:23):**

That's what we got now, right? We're holding onto that.

**Russ D'Argento (34:25):**

Yeah. We have Netflix series from 10 years ago, 20 years ago,

**Mark Wickersham (34:29):**

That in the Dynasty. All right, Ross, this has been a great conversation. I really appreciate you sharing and spending some time with us today.

**Russ D'Argento (34:36):**

Thanks so much for having me. I really appreciate it and enjoyed it.

### **Disclaimer**

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