

# How to tap into the offshoring of Chinese wealth

*In a video interview, Ray Chou of Oliver Wyman outlines some options and considerations for wealth management firms looking to service the growing number of HNW and UHNW Chinese looking offshore for asset allocation and diversification.*



RAY CHOU  
Oliver Wyman

**O**NSHORE' AND 'OFFSHORE' represent two different wealth management markets in Mainland China, explains Ray Chou, partner and wealth management and asset management practice lead for Oliver Wyman.

The onshore assets, for example, are tightly controlled in terms of cross-border capital flows. As a result, a lot of players look to address the needs of Chinese HNW and UHNW clients via their offshore value propositions and the more holistic service. This also enables them to establish customer relationships for the future, adds Chou.

Creating a cross-border referral network with an onshore partner is another route into the market to tap existing customers.

Plus, since Chinese wealth remains concentrated in several geographies, he says a focused strategy is required by those players looking to attract new customers.

As it gets more difficult to access higher-return assets in Mainland China, customers also realise the value of wealth preservation and inheritance issues.

Yet as clients slowly go offshore and diversify, Chou says the type of firm they are likely to choose to help them varies across different customer segments.

At the top end of the pyramid, clients look for best-in-class international players when they go offshore. By contrast, for customers in the lower-HNW and upper-affluent bands, their relationships remain with local providers.

A trend he sees continuing, however, is the influence of foreign wealth and asset management firms in bringing overseas capital markets and investment capabilities to local customers. ■