

HSBC's Asia Head of Wealth Planning on the Art, Science & Psychology of Private Client Advisory

Cynthia Lee is the Hong Kong-based Regional Head of Wealth Planning and Advisory for Asia at HSBC, a role she took on in January 2019. She concentrates on wealth planning, family governance advisory, family office advisory and philanthropy advisor in the region, reporting to the Regional Head of HSBC Private Banking in Asia. She has a substantial pedigree in wealth management, having previously been Head of Wealth Advisory for Asia at JP Morgan. Hubbis 'met' with her recently to learn of the drive and impetus her team are providing at a time when estate and wealth planning is being prioritised amongst so many of Asia's wealthy private clients and as they focus more attention on issues around family transition and succession issues. In her spare time, Lee is an avid reader of books on psychology and says that this has greatly helped in her efforts to engage colleagues, team members and clients in both the 'why' and the 'how' of optimised private wealth solutions.

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Lee reports that her team has three core areas of specialisation. One team covers family office advisory, which she describes as a demanding a very 'hot' topic currently in Asia. Another team covers family governance advisory for clients, from the blueprints for such governance and formalising the family constitution through the facilitation of family meetings and engagement with the future generations. And there is a philanthropy advisory team, which in the midst of the pandemic is a key and growing area of focus for many wealthy families as they seek to give back to their communities.

A heightened focus on the future

"It is clear that the world is very different since the pandemic, things have changed across every walk of life and across all generations," she comments. "From our perspective, this has translated to far more activity in our core areas of expertise amongst our clients, especially as they have more time to focus, away from their former lives travelling and rushing around for meetings. Some might have been considering these ideas and plans for some time, years perhaps, and now want to take the first steps."

She also observes that the world has changed in terms of geopolitics today, which affected how clients look at their wealth and succession planning.

Diversification of assets, structures and solutions

"These days," she reports, "many clients are looking to approach wealth planning from a diversification perspective, and

here I mean diversification of their holding structure, for example, we seldom now see the single master trust to hold all family wealth, and we instead see more distinct and separate trust structures in different jurisdictions to hold a variety of different assets. And diversification also encompasses the governing law for their chosen trust jurisdictions, and even diversifying their trustees to mitigate their provider risk as well."

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Institutionalising family wealth

The option of opening a family office is increasingly high on the agenda for the very wealthy families, she remarks, as families see more clearly the value of professionalising and institutionalising the very important investment, business and family decisions.

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Transparency at heart

She observes that the family office tends to suit families with larger,

more complex and highly diverse assets, both in the public and private arenas.

"The family stakeholders definitely benefit from a more professional and transparent approach to the management and reporting of these assets, especially when we are talking about complex investments and highly diverse and sophisticated portfolios," she notes. "To expand decision-making from

the founders, the matriarchs or the patriarch, especially as they get older, through to the second and even third generations is of great value, shifting the family from the older single decision-making model to a collective or multiple decision-making model."

Embracing smart family governance

Lee also observes that there are more and more family offices embracing an increasingly robust family governance agenda, especially those more mature families who may be already at the third or fourth generations, with many more family members involved.

"When you have 50 or perhaps 100 key family members, it is increasingly important for them to see themselves as part of the family identity and to feel as if



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they are part of the overall family organisation,” she observes. “This is nowadays especially evident amongst established, leading Hong Kong and Taiwanese families, for example.” She adds that confidentiality and privacy are also vital factors in the creation of the family office, whether the SFO, or perhaps the multi-family office model.

Hong Kong and Singapore as family office hubs for Asia’s economic dynamism

Lee also remarks on how a number of key jurisdictions have been working ever harder to appeal to wealthy families from within Asia and indeed globally to establish their SFOs locally. “For example, we see here in Hong Kong that Invest Hong Kong and the Financial Services Development Board have recently been raising their game, whereas Singapore currently has about 200 family offices, managing around US\$20 billion of assets there, from 2017 to 2019, the number of family offices in Singapore grew by five times as the region got wealthier.” she reports. “More and more high-net-worth families choose to set

Getting Personal with Cynthia Lee

Cynthia Lee has an impressive resume. She joined HSBC in her current role in January 2019, coming from a position as Managing Director and Head of Wealth Advisory at JPMorgan Chase & Co., where she had enjoyed 13 interesting years, joining the US giant bank in 2006 after ten years working as a lawyer in Hong Kong. She initially graduated in Law from the highly regarded King’s College, London University in London before obtaining her post-graduate certificate of law to work as a practising lawyer in Hong Kong.

When not working, Lee enjoys a variety of pastimes such as yoga, Pilates, and swimming. More sedate activities at home include a passion for reading, especially tomes on psychology, a subject on which she has also enrolled herself in classes.

“I love learning about what makes people tick, how they reach the decisions they do and what differences there are between various types of people, and how that affects their thinking,” she reports. “A recent book I read is titled ‘Surrounded by Idiots’, which is about change and how in any situation or organisation you can help achieve a transformational agenda by better understanding how people react to change, and how different characters and personalities react differently. The book simplifies all this by relating four types of people to four colours, red, green, yellow, and red. It’s fascinating and highly informative.”

Lee says that in all walks of life and certainly in her working life, it is better to strive for a ‘belief’ or buy-in’ from colleagues and team members, rather than simply having people taking instructions and acting on those.

“If people appreciate the ‘why’ and the ‘how’ there is a better chance of success,” she observes. “It is more challenging perhaps with clients, as although they get the ‘why’ very quickly, they then have to decide on the ‘how’ and although we can lay out the options for them, they might take their time, might procrastinate. Nevertheless, we do manage to then get to the right outcomes, the approach pays off, and then it is easier to implement the ‘how’ decisions.”

up family offices in more familiar financial centres in the Asia-Pacific region, such as Hong Kong or Singapore, to manage family affairs and wealth inheritance more efficiently and systematically, both jurisdictions very clearly see the

value of attracting more of such very wealthy families to establish entities to these shores.”

Indeed, she says the bank’s regional Hong Kong HQ remains a major plus point for clients



Key Priorities

Talent is absolutely central to the bank's wealth planning and advisory proposition, Lee reports. "We have clients from diverse cultures and countries, we need to bridge language barriers, and realistically, we need to have a more systematic and organised approach to how we can nurture the next generation of wealth planners," she says. "If we believe in this next stage of growth for Hong Kong as in the international city and gateway to China, and if we believe in our expanded role in the Greater Bay Area, then we need to think five or 20 years down the path and think about who can really contribute to our area of expertise. We also need to think about the value we offer. The rise of AI, virtual banking and more and more digital platforms means there is a greater emphasis on the credibility and quality of the advisory side of the incumbent private banks."

She observes that not only do the advisors need to be experts in their fields, but they must also be expert at engaging with clients, and their soft skills must be exemplary. Moreover, they need to be creative and entrepreneurial to engage with our high-level clients, seeing things from different perspectives and devising imaginative solutions, new ways of thinking about problems and overcoming challenges. "We need bankers for the multi-cultural and increasingly challenging new age ahead," she concludes, "and we need to think ahead to an ever more rapidly changing world."

who value the jurisdiction as the international hub and gateway for China, and with the Greater Bay Area policy initiative driving greater economic and financial integration, reinforcing Hong Kong's role as the regional financial centre and capital markets centre of expertise and activity.

"HSBC as a group plans to invest about USD3.5 billion in the next five years to accelerate the growth of its wealth management business in Asia, in which a third of its investments in private banking in Asia will be used to expand onshore private banking capabilities in mainland China," she reports. "This also means we will see the development of

a more robust onshore private banking engine for our clients in China, and the development of our proposition in a variety of other key areas," she reports. "At the same time, we are expansive across the region, with the rapidly expanding ASEAN private wealth markets of great importance. We have a very strong presence in those markets and will boost our efforts in the years ahead to seize the great opportunities there."

The HSBC USP

Lee observes that HSBC as a brand is well placed to attract such clients for these initiatives, being a fully global platform with extensive global connectivity. "The wealthy private clients of today are very

mobile, so we see increased activity amongst clients coming into Asia from the Middle East, Europe and even from North American, seeking to diversify their wealth operations globally,” she reports.

Additionally, she notes that HSBC is a major traditional trust provider, with 75-year-old operations in Hong Kong, Singapore and Jersey. “Accordingly, we offer a compelling and global trust proposition, and as

not all families see the need for formalised governance and family constitutions. “It tends to be practised more by those families that have fairly dynamic family relationships, where there are quite a number of stakeholders and parties down several generations, and where there is a complexity of assets, perhaps owned across different members of the family and therefore mingled in terms of their decision-making

establishment of the family deed, the agreement on dividend policies, employment policies for family members in the family business, and so forth, all of which can help guide the directional framework for the families.

“However,” she observes, “the actual practice, the ‘art’ element must be properly executed as well, and emerges from the family meetings, the family retreats, the regular business review meetings, all of which help foster better communication, increase transparency, and enhance debate and collective decision making. Many people advocate that ‘we’ is greater than ‘I’ and that major family decisions are best made transparently and collectively for the benefit of the wider family unit. But while that is true and the best intentions might be expressed, we clearly also need to build in mechanisms for disagreements, mechanisms for parties to be able to exercise options, even if that includes exit mechanisms so that these ideas and plans are actually applicable in practice at the end of the day.” ■

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a bank that has a 158-year history in Asia, we have an incredible array of longstanding relationships across the generations and an incredible level of collective institutional knowledge, expertise and experience to offer these clients.”

Governance – building momentum

Returning to the topic of governance, Lee remarks that

mechanisms,” she reports. “These factors warrant a greater need for them to adopt these practices.”

She says she uses the word ‘practice’ consistently because family governance is a combination of art and science. There are many elements involved, she reports, including lots of legal documentation templates, the typical family constitutions, the

