

# Words of Advice on the Art & Science of Smart HNW and UHNW Wealth Transfer in Asia

The Hubbis Wealth Solutions Forum in Singapore on June 14 saw a group of experts assembled for the last panel discussion of the event, to debate the issues and opportunities around the great Asian wealth transfer, specifically in the context of UHNW clients and families. The experts, with combined decades of experience behind them, offered delegates some invaluable guidance and advice. They pondered the key ingredients of successful succession planning, the role of the wealth management advisory community, the gap between the missions and the structures, and that other vital ingredient, the individual and family wellbeing across the generations. Hubbis has extracted selected views conveyed in the discussion by Anthony Chan, Chief Executive Officer of Isola Capital. His insights collectively form a body of sensible advice for the wealth management community as they aim to advise on and solve these delicate and complex matters.

#### GET IN TOUCH

[View Anthony Chan's LinkedIn Profile](#)

[Find out more about Isola Capital](#)

[View the On Demand version of this Presentation](#)



**ANTHONY CHAN**  
Isola Capital

**Anthony Chan is** the Chief Executive Officer at Isola Capital (Isola), an asset management platform serving family offices, UHNW clients and entrepreneurs. Isola also leverages its expertise and network to help business creators facilitate their corporate expansion needs and exit plans.

On the wealth side, not only does the firm act as an EAM concentrating on the upper segments of wealth, but also creates its own proprietary products, and partners with institutional investors to create investment strategies relevant to clients. This allows Isola to supplement existing third-party institutional products with in-house products to deliver bespoke solutions to its target client base.

The firm has its headquarters in Hong Kong and satellite offices in Brussels and Tokyo, and in Q2 2023 established its Singapore office, which is in the final phase of securing a CMS licence for fund management. As an asset manager providing solutions to family offices and UHNW clients, they have a keen focus on helping

them define and realise wealth and business transmission planning and structures.

He offered delegates some stories that he felt would be relevant to the overall discussion on structuring and succession planning for these types of clients. "We deal with multi-generational families, both the older and the next generations, and we find there is a massive cultural difference between European families and Asian families," he reported.

### Cases in point...

Without delving into too much detail, he offered the example of

**"These solutions can come from the top down and the bottom up, across generations. It helped to have family members who might be skilled and successful in their own professional services fields to become much more intimately connected to the family wealth, thereby offering them additional fulfilment and interest."**

a very wealthy family from Korea, which wanted to grasp the nettle of wealth transition and succession. They needed to address not only the family and emotional matters but also the technical issues and the huge tax and inheritance tax impacts.

They have a global business, and their oldest child is female. "In the Korean and indeed broader Asian cultural context it is the male who generally inherits more of the wealth, but families also seek to be as fair as possible and ensure that they give people such as this daughter sufficient assets and

wealth to sustain their own lifestyle and pass on wealth through their own generations," he explained.

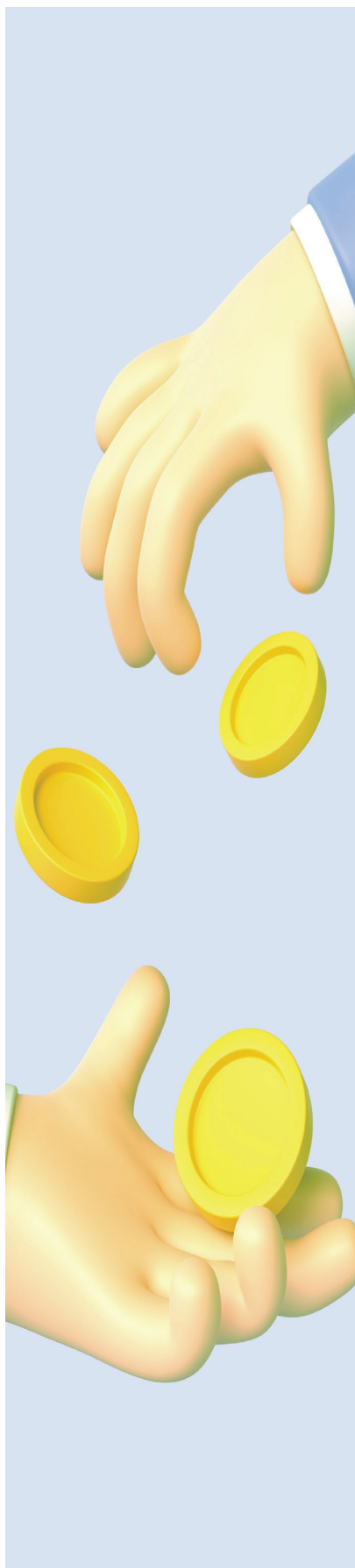
The family's mission was to ensure she ended up with significant wealth, but at the same time make sure she had high calibre resources and expertise around her to develop and maintain a core family business so that it would grow and fulfil both her personal and financial needs, and also achieve some philanthropic causes that family had in mind.

### Thinking out of the box

"They needed a solution, and we delivered that for them," he

reported. He explained that the family business had a huge global advertising budget, so the idea was to create a business that leveraged that resource and could be passed on to the next generations but not require them to manage it. They established this business, brought in top external expertise and determined a five-year plan to be a top-three player in their markets.

"They defined very clear plans, had an appropriate budget, and then they worked with people that they trusted to execute the strategy," he said. "It was a great success, and the business is today listed."



### Catering to different ages, likes and expectations

The other part of the business was to cater for some of the future generations of families, he said. Those family members could be highly educated and very successful professionals in their own right, but perhaps with little or no wish to run a family business, or even work in a family office environment and manage assets to generate returns.

“These family members may want to deliver social impact and contribute to philanthropic causes, so a foundation was established by the family for these four generations, and each participating member would be required to be on the Board of the charities they wished to support and commit time and effort to them,” he reported. “This opened the door to embracing their fiduciary duties, understanding corporate governance, learning to read financial statements, and striving to create impact, which applied to family members from a wide range of disciplines and skills.”

He said that these solutions offered the family a fundamental shift from the older generations in terms of how they looked at using their wealth and growing their wealth, all of which was originally derived from a core business that often evolved into a conglomerate in Asia.

### Holistic thinking

“It is not easy and never easy,” Anthony remarked. “These solutions can come from the top down and the bottom up, across generations. It helped to have family members who might be skilled and successful in their

own professional services fields to become much more intimately connected to the family wealth, thereby offering them additional fulfilment and interest. It also offered them the chance of doing something completely different to the core family business, and therefore interacting with a whole different set of experts, advisors, bankers as they made the foundation work for them.”

He noted that additionally it gave family members who might have trained as lawyers or in medicine or other non-finance disciplines a sound understanding of what it takes to deploy capital, to invest capital, work with service providers, devise structures and solutions, to sustain their lifestyle so that they can serve their own needs, both from a financial level, but also from a philanthropic or social impact perspective.

### Connecting the generational dots

He also noted that anecdotally, millennials straddle a very wide range of cultural attitudes, especially between those above or below the age of 30. Those that are older tend to have greater cultural empathy with their Asian upbringing. Those that are younger millennials tend to have less “traditional” mindset regarding career paths and core values which make it challenging for them to bridge the gap with the older generation, especially when it comes to deploying and managing wealth for the longer term. “What I am saying is that as time goes on, the challenge for us will increasingly be dealing with the future generations of family offices, because there is a psychological and to some extent cultural gap



that will emerge more clearly. It is something we all need to solve and work on, but first, it is important to understand the issues so we can find the relevant solutions," he said.

### Mind the gaps

He added that there is an inherent communication and respect gap sometimes within families, where the next generation is supremely advantaged in terms of upbringing and very well-educated relative to the older or founder generation, whom may have lacked formal education, yet have managed to build their huge family wealth.

There is that gap as well in the middle class, he said, "often seen in Asia, between the older more blue-collar past generation versus the younger, better-educated next generation that believe they are more capable and knowledgeable." He said this can cause misunderstandings or worse, a lack of respect, and that

work often needs to be done to bridge these gaps and open lines of communication.

### Different stages, different challenges

Anthony also remarked that older generations of wealth have often transitioned to public company structures, whilst next generation of wealth was more likely to focus on private alternative opportunities. From a structuring perspective, being listed sometimes makes it easier to make distributions and transition ownership stakes amongst family members and later, beneficiaries.

"When it is all private, it is far more complex, you need shareholder agreements, you need to often divvy up the shares into different vehicles and structures to cater for people living in different jurisdictions, and there are many more issues to consider," he said. "A key issue is often understanding

how to facilitate future generations getting what they are supposed to."

### Keep questioning, stay open-minded

His final word of advice was to challenge the younger generations to question what is "information" versus "facts". He said the easy access through online channels and social media can confuse information with facts, and people need to exercise critical thinking, whilst keeping an open mind. "Information can empower, but it can also mislead people into decision-making or thinking that is not ideal or best suited for their future," he concluded. "Of course, the same can apply to older generations, but in the context of family office dynamics, we need to help people understand more clearly, question information, and keep an open mind in order to make good decisions based on facts." ■

