

Impressive Growth in Wealth drives the industry in Hong Kong



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What are the opportunities for the further development of wealth management in Hong Kong?

One thing is, if you look at the data, the growth of the amount of money that’s being managed in this industry just continues to rise at extremely impressive levels every year. We’ve now reached a trillion US dollars as of summer of 2018 according to data gathered by the SFC, and that represents the assets under management (AUM) for the private wealth management industry in Hong Kong alone. The year-on-year growth, if it continues at this pace, will lead to a doubling of AUM within another five years.

That’s a tremendous opportunity for the industry as a whole to continue to provide value for clients in

figuring out how to best preserve that wealth and find opportunities for the next generation of entrepreneurs.

How do you think the wealth management proposition should continue to evolve?

Clearly, the industry needs to evolve along with the technology, and the biggest change across financial services as a whole is happening in the fintech space. I think what we’re going to see in the coming years is an integration of some of the key values that make private wealth management a distinctive industry proposition versus the rest of banking with the best and the most innovative ideas of fintech.

That means taking advantage of AI and algorithmic trading or algorithmic advice that can then be

supplemented by the kind of high-touch, personal service that people expect when dealing with private wealth managers.

Do you think the non-investment conversation with clients is increasingly a big opportunity?

Clearly, there is a need in this part of the world to provide services other than investment advice for the people who are generating new wealth in this region. That's because, on the one hand, you have people who are quite savvy about making money.

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They may have their own ideas about how to invest, but they don't necessarily have all the information they need about how to preserve the wealth that they have achieved and pass it on to their family in

an effective way and to think about things like governance structures and family offices and the like.

That's the area where I think there's a tremendous opportunity going forward for Asia as we move from the era of massive, entrepreneurial new wealth to a next generation of legacy wealth.

What can the industry do to try and get more young people interested in joining wealth management?

Well, first of all, I think what we've been doing with the apprenticeship program is not simply trying to recruit individual students in the program, but really gain mind space with that generation of people to think not just about getting a job with an investment bank or a hedge fund or, otherwise, somewhere else in banking but to think of private wealth management from the get-go, to think about it as something that they can enter, or they can learn about as their first career opportunity.

That's something that hasn't been done before, so I think the industry needs to start thinking about that more rather than simply trying to poach the best players who are already with your competition. You need to nurture new talent if you're going to grow the talent pool to where it needs to be in order to service all of the new clients who are coming into this business. ■

