

PWMA Digest

Insights on Hong Kong's evolving wealth management industry and highlights from PWMA Events

Welcome to the PWMA Digest, the new PWMA newsletter that highlight some key themes in the wealth management industry and the financial markets! We hope to share these key trends with you on a more regular basis, along with highlights of PWMA training sessions and events.

Essential read

1. [Hong Kong's AI bet through Temasek-style fund signals strategic shift](#)

Nikkei Asia, 17 June 2024

The Hong Kong government is shifting its investment strategy to transform the city into a tech hub, as geopolitical pressure builds and traditional growth drivers of finance and property face challenges. The government-owned Hong Kong Investment Corp. (HKIC) made its first public investment in the AI company SmartMore, which is valued at around \$1.28 billion. This marks a shift from the government's previous smaller bets through the Hong Kong Science and Technology Park and Cyberport. The HKIC investment in SmartMore is part of a wider push by Hong Kong to burnish its status as an international hub for innovation and technology. This includes subsidy arrangements, plans for an AI supercomputing center, and initiatives to attract tech startups.

2. [Hong Kong Economy | Deputy Financial Secretary: funds continue to flow into Hong Kong, and total bank deposits increase by more than 2% year-on-year](#)

Hong Kong Economic Times, 24 June 2024

Deputy Financial Secretary Wong Wai-lun said that various data show that Hong Kong is dynamic and resilient. Hong Kong continues to see capital inflows, with total bank deposits recording HK\$16.6 trillion in April, an increase of more than 2%. More than 120,000 talents have arrived in Hong Kong in the past year and a half. He also pointed out that companies have also returned to Hong Kong, and the number of family offices, hedge fund managers, and private equity fund managers in Hong Kong has increased by 24% in the past three years.

3. [Hong Kong government leads Asia in green-bond issuance, becomes fifth largest worldwide](#)

South China Morning Post, 24 June 2024

Hong Kong has become the largest source of climate-aligned government bonds in Asia and the 5th largest cumulative issuer of government green bonds globally. Hong Kong's sustainable debt market saw a 236% year-over-year increase in 2023, reaching \$18.2 billion. Green bonds made up most of this at \$15.6 billion, with social bonds at \$2.6 billion. The city can further capitalize on the trend of "transition finance" by expanding its taxonomy to include transition activities, to mitigate greenwashing and facilitate cross-border capital flows.

4. [UHNWs seek alternative fundraising as IPO market 'seizes up'](#)

Asian Private Banker, 24 June 2024

Asia's High-Net-Worth-Individuals (HNWI) business owners are increasingly seeking non-banking financing amid a decline in capital raised via Hong Kong's IPO market and a prolonged high interest rate environment, according to regional head of Equities First. With a less stressed loan to capital ratio and favorable interest rates, asset-backed financing is becoming more popular among major and minor shareholder who wishes to raise fund. While the first half of the year saw a 35% and 15% in funds and deal volume, the market is optimistic for the second half as Hong Kong is welcoming more Middle Eastern investment and new measures from China Securities and Regulatory Commission (CSRC) to boost IPOs.

5. [Beijing's Support to Boost Hong Kong IPOs in Second Half of Year](#)

Bloomberg, 25 June 2024

After a slow start, Hong Kong's IPO market is expected to rebound in the second half of 2024. The number of IPO filings in Hong Kong has risen in the past two months, and there has been an 83% increase in IPOs announced since mid-April compared to the same period last year. China's pledge to speed up approvals for listings outside of the mainland is seen as positive for Hong Kong's IPO market, which has seen a 33% year-on-year drop in proceeds raised since the start of 2024. Stricter rules for domestic listings in China and a stalled rally in Chinese shares may also drive more companies to list in Hong Kong.

PWMA Events Q2 Highlights

The summary below highlights notable PWMA events and activities over the past quarter, from April to June. Going forward, we plan to send you more regular updates outlining the important events and happenings across the organization.

1. PWMA Leadership Breakfast



PWMA Chairman Amy Lo hosted a Fireside Chat with Laurence Li from the Financial Services Development Council (FSDC) and Winston Chan from the Financial Services and the Treasury Bureau (FSTB). It was a full house of senior practitioners from the industry and lots of interaction from an engaged audience made for a lively event. Highlights from the session include Hong Kong's full suite of capabilities and distinct advantages which are difficult to replicate, key government initiatives around generating liquidity and connecting capital pools to support the wealth management industry such as Wealth Management Connect, REIT Connect, Enhancing Market Issuance, as well as Hong Kong as a bridge, intermediary and super connector.

2. PWMA Apprenticeship Programme – 2024 Orientation



PWMA hosted a breakfast orientation ceremony at the Bankers Club to welcome the incoming class of 2024 for the PWMA x HKMA Apprenticeship Programme. Around 50 new Apprentices were selected from over 1,300 applicants. Apprentices will receive real world training and work experience across a range of functions at 17 participating private wealth management firms, leading to a potential full-time employment opportunity on graduation. Senior leaders with established careers in PWM including Amy Lo, Alex Ng and Vivien Khoo shared perspectives on the industry and practical advice with the 2024 cohort.

3. PWMA x HKIB - Trends in Family Offices



PWMA was delighted to collaborate with The Hong Kong Institute of Bankers (HKIB), inviting Jessica Cutrera from Family Office Association Hong Kong (FOAHK) to present on Trends in Family Offices. The response to the event was overwhelming, reaching its full capacity within the first few hours of registration.

Jessica shared many useful and interesting insights, including differences between single family offices (SFOs) and multi-family offices (MFOs), benefits of the Hong Kong Tax Incentive Scheme, Hong Kong's Capital Investment Entrant Scheme and 0% Concessionary Profits Tax, opportunities and challenges for Hong Kong as well as the role of talent in family offices.

4. PWMA x Bloomberg - Women in Private Wealth 2024



PWMA and Bloomberg collaborated to present “Private Inspirations: Women in Private Wealth 2024”. Key female leaders from the private wealth management and family office sectors discussed the forces shaping the industry in Greater China and beyond, as well as navigating opportunities and challenges around emerging technologies, regulatory developments and financial markets. The event also provided a platform to share female centric experiences and insights, how to break down stereotypes and barriers, and their vision for the future of private wealth management.

5. PWMA joined delegation led by USFST of the HKSAR Government to the Middle East



PWMA joined the delegation led by USFST of the HKSAR Government, Joseph Chan, together with over 30 business leaders in financial services and fintech companies across HK and mainland China, and representatives of Financial Services Development Council, Invest Hong Kong and other Associations to visit the Middle East. As part of forming a strategic partnership, the Hong Kong Financial Services Development Council signed a MoU with Qatar Financial Centre (QFC) Authority, to strengthen the collaboration of the financial sectors between Qatar and HK, fostering growth and innovation, thought leadership and promote market connectivity. PWMA CEO Vivien Khoo highlighted the mission and ongoing work of PWMA, our diverse members representing the wealth management industry, PWMA's Enhanced Competency Framework Accreditation for Private Wealth Practitioners and our Apprenticeship Programme co-run with the local regulators.