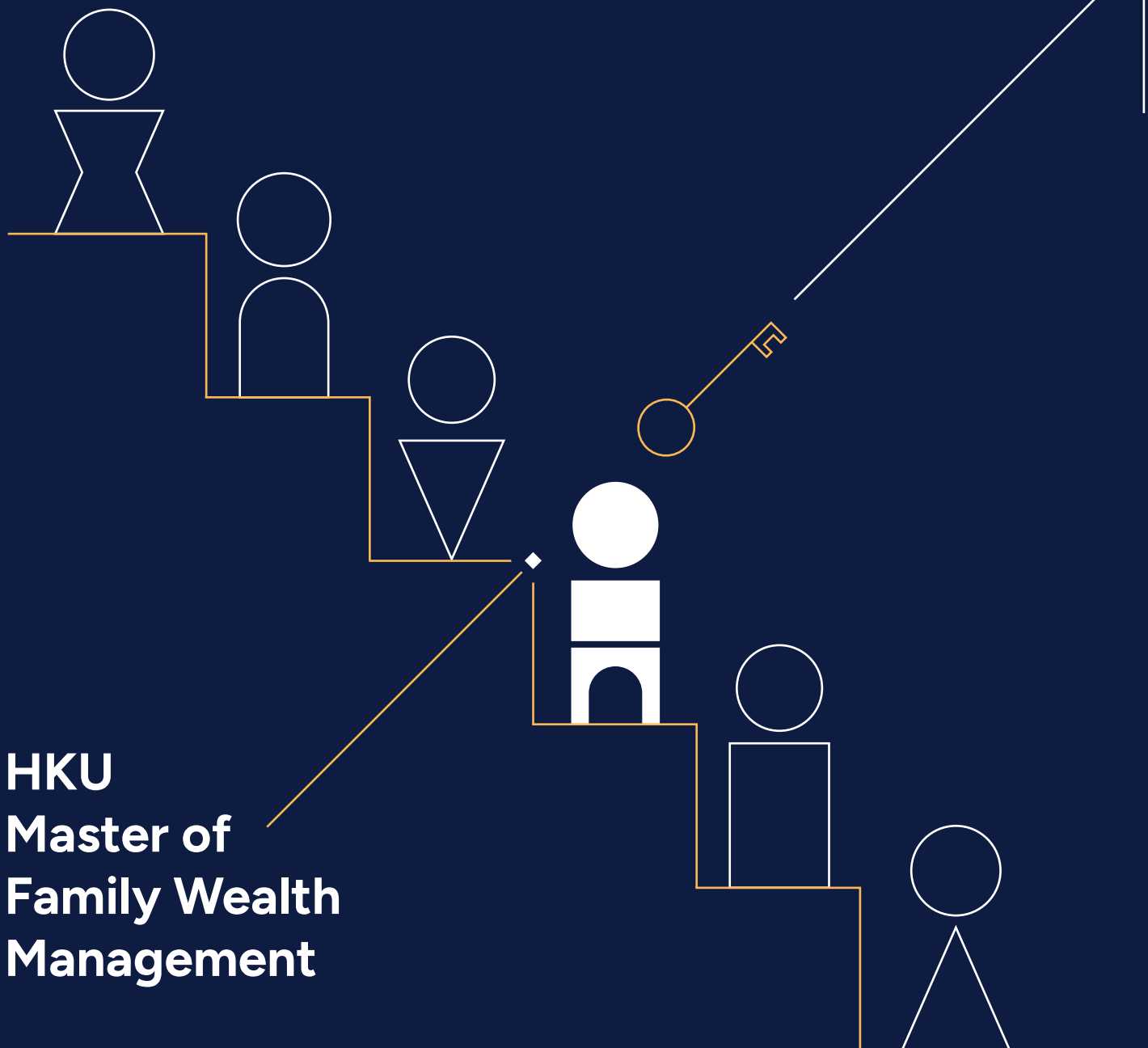


# LEGACY



**HKU  
Master of  
Family Wealth  
Management**

Capstone Project Review

Edited by  
Bonnie Leung &  
Yeyuxing Chen

Volume 1  
November 2025



**HKU  
FAMILY  
WEALTH  
MANAGEMENT**  
港大家族财富管理

# Introduction

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Dear Reader,

This booklet presents excerpts from student projects completed in the Master of Family Wealth Management programme at The University of Hong Kong.

In an ever-evolving industry environment, the ability to effectively translate theoretical learning into practical capabilities is the true measure of comprehensive competence. As the final course of the Master of Family Wealth Management (FWM) programme at The University of Hong Kong, the FWM Capstone Project is designed precisely with this philosophy in mind, offering students a high-level platform that integrates academic rigor with real-world application.

The capstone course offers students two distinct streams: internship and research. Students who choose the internship track immerse themselves in the industry and accumulate valuable practical experience. Those opting for the research stream are required to form teams and conduct systematic research on cutting-edge topics within the field of family wealth management. All research topics are proposed by experienced industry Project Sponsors, who, together with the FWM Programme Director, provide professional guidance and support throughout the project.

In the 2024-2025 academic year, the research stream comprised eight project teams, each consisting of approximately 5–6 members. Over six weeks of intensive collaboration, each team conducted comprehensive primary and secondary research on an assigned topic and proposed actionable solutions. Through this booklet, we aim to present the key findings and highlights from the eight teams' research efforts. Please note that each team's original report exceeds 10,000 words; due to space limitations, the following pages present only excerpts from their full reports.

We would like to express our sincere gratitude to the following eight Project Sponsors.

Your professional support and resource contributions have been instrumental in ensuring the smooth progress and fruitful outcomes of this project.

## Family Wealth Mentors—Project Sponsors

Jeremy Chen,  
Peggy Ko  
*Fosun Asset  
Management*

Stephen Pang  
*Julius Baer*

Dennis Fok  
*Mirae Asset Global  
Investments*

Ming Chen  
*LEFA*

Yumian Lu, Yuchen Xia  
*New Horizon Global*

Judy Zhang  
*Cambridge Associates*

Tina Wei  
*PristineView Capital  
Advisers*

Cherry Cheung,  
Lillian Li, Philip Lui  
*Social Impact Partners*

We would also like to thank Ms Angel Chia (*Hong Kong Academy for Wealth Legacy*), Mr Zhiyi Song (*New Harvest Wealth*) and Ms Maggie Chen (*Forecourt Partners*) for their offer to mentor a project team even though we were not able to match them this year. We look forward to more in-depth collaboration with them in the future.

Finally, we would like to express our gratitude to Professor Chen Zhiwu and Professor Gao Pingyang for their generous support of our programme. Special thanks to Miss Jean Yao, who supported the course as a Teaching Assistant. We would also like to thank all our colleagues at the FWM Programme Office. Without their blood, sweat, and tears, none of the achievements of the past year would have been possible.

Regards,  
The Editors (Bonnie Leung & Yeyuxing Chen)

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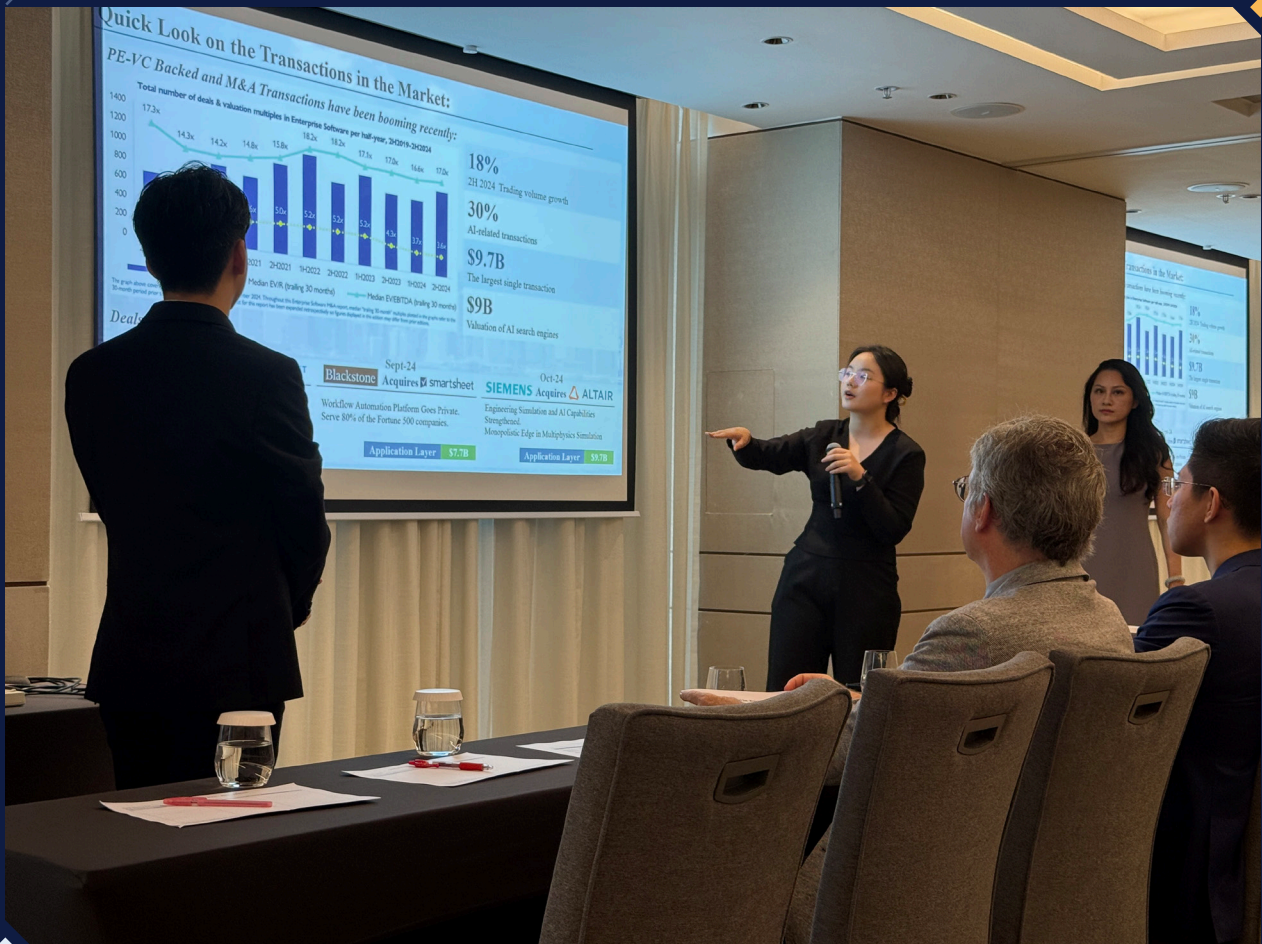
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Generative artificial intelligence (GenAI) is developing dynamically and rapidly becoming ubiquitous. The University of Hong Kong (HKU) embraces GenAI and seeks to enable its teachers and students to become not only GenAI literate, but also leaders in exploiting the vast potential of GenAI for the benefit of humankind. Some of the work shown in this document may have used GenAI in support of the research process, but the assignments were meant to reflect the students' own analysis, originality, and effort.

Student

# Projects



# Optimizing W.E.A.L.T.H. \_\_\_\_\_

## An Evaluation Framework for Tax and Residency Planning

HKU FWM students of the Momentum team were asked by their Sponsor to explore the implications of global tax and residency planning for family offices in Hong Kong. The team started by cataloguing tax rates of different regions, researching tax incentives offered by different jurisdictions to family offices, and developing an inventory of capital investment immigration schemes. Based on their research and case studies of real-world families who took advantage of these schemes, the team then proposed a new framework for family offices to evaluate the different dimensions of tax and residency planning.

In an increasingly complex global tax and residency regime, family offices need a structured, strategic method to evaluate the

applicability of different jurisdictions. A good framework should start not with laws and regulations, but with the family itself. What are the family's main priorities – education, lifestyle, or inheritance? What kinds of assets do they hold – stocks, real estate, commercial enterprises? In which jurisdictions are they currently paying taxes? None of these problems is theoretical. They define whether a family should adopt a new residency, look for a low-tax investment foundation, or just provide a future home for the next generation. Residency planning helps family members realize global mobility and allocate resources, including children's international education, old-age security, emergency relocation, and other multiple needs.

Dimension	Evaluation
<b>W</b> - Wealth Protection	How well does the jurisdiction protect capital? This includes inheritance tax, capital gains tax, protection of legal assets (such as trust) and macroeconomic stability. It is especially suitable for families whose assets are in high-tax areas (such as the United States and France) or who are concerned about intergenerational inheritance.
<b>E</b> - Education & Welfare	Does the jurisdiction offer high-quality education, healthcare, and social benefits? This question is mainly applicable to families with children's education needs or those planning their retirement.
<b>A</b> - Asset Access	Is the aim to move assets in and out of the country? Are there capital controls, reporting burdens, or limitations on foreign ownership?
<b>L</b> - Legal Certainty	Are the tax and immigration rules stable, transparent, and consistently enforced? Is the regulatory framework investor- and family-office-friendly?
<b>T</b> - Tax Incentives	Are there specific exemptions or advantages for family offices? Is the corporate or personal income tax burden competitive?
<b>H</b> - Home Replacement Potential	Is the jurisdiction a place where family members would be willing or happy to live long-term, if needed? High-net-worth families have an increased demand for the long-term identity of "Plan B", and it is advisable to assess the acceptability of local residence in advance.

This is also the reason why the Momentum student team designed the W.E.A.L.T.H. framework.

Based on the previous comparative analysis by the group, the FWM students invented a six-dimensional model that covers the key aspects that should be considered when choosing the location or expansion of family offices. This framework is meant to guide families to ask correct questions – consistent with their values, goals, and risks.

The six dimensions of the framework are:

- W**ealth Protection
- E**ducation & Welfare
- A**sset Access
- L**egal Certainty
- T**ax Incentives
- H**ome Replacement Potential

See the table on the previous page for how the students propose to evaluate each dimension.

It is worth noting that the weight of each dimension in the W.E.A.L.T.H. framework depends on family priorities. For example, founders with young children may be most concerned about education and legal protection, while founders with grown offspring may be more concerned about asset protection and inheritance planning. Therefore, the framework does not rank countries, but helps families to determine their personal matches. Ultimately, the objective is to optimize tax obligations, lifestyle requirements, and investment management function by de-coupling these needs. Families can then draft a blueprint on how to leverage a “basket” of residencies – splitting capital among different domiciled funds, maintaining a holding vehicle in one location, and anchoring an operating branch in another, while younger family members may be schooled elsewhere.

Granted that understanding the latest tax and immigration laws still requires professional advice from tax consultants and lawyers, the innovative W.E.A.L.T.H. framework enables family wealth managers to sift through those regulatory facts to tailor advice to a family’s needs.

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### **Team Members**

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Nok In Yeung, Hanchen Zhou

### **Project Sponsors**

Jeremy Chen, Peggy Ko, *Fosun Asset Management*

# Dual-Hub Philanthropy

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## A Hypothetical Case for a Hong Kong-Switzerland Philanthropic Architecture

Present-day Chinese entrepreneurs and their families are seeking to address the dual objectives of planning intergenerational wealth succession and fulfilling their social responsibility. As a result, an increasing number of family entrepreneurs are willing to commit their wealth to philanthropy<sup>1</sup>.

Philanthropic planning for family entrepreneurs often involves the following aspects:

- **Social Impact:** giving back to society while enhancing the family's social reputation.
- **Succession:** nurturing the next generation's leadership and social responsibility through charitable projects while preserving assets and ensuring long-term security for sustainable succession.
- **Economic Value:** boosting economic returns, competitiveness, and commercial opportunities by attracting partners and solidifying the business's external support network.

Assuming the above premise, HKU FWM students in the Money Come team researched the compatibility of a number of jurisdictions with Chinese entrepreneurs' philanthropic requirements. Their research covered service providers, tax regulations, asset protection laws, and philanthropic networks of these locations. The students' conclusion was to propose a dual-hub charitable architecture whereby "Hong Kong is the main hub; Switzerland, the auxiliary hub." The Hong Kong hub would rely on its geographical advantages to connect with the research and operations of the Greater Bay Area, while the Switzerland operation would provide a strategic buffer through its permanent neutrality

and asset independence protection mechanism. Through the collaborative operation of charitable trusts and foundations, an integrated social responsibility system that would balance efficiency, security, and succession would be constructed.

In Hong Kong, the team recommended establishing a charitable trust as the operational core. The advantages of the trust include efficiency in its establishment and asset compatibility. In Switzerland, establishing a private foundation was recommended. According to Article 80 of the Swiss Civil Code, a foundation is a distinct legal entity with its own legal personality, separate from its founder and beneficiaries, which suggests a private foundation would offer strong asset isolation capabilities, effectively protecting family assets from external debt claims and ensuring the long-term stability of charitable projects. The Hong Kong hub would focus on "research funding + local industrialization," utilizing Hong Kong's tax incentives to promote the implementation of local and Greater Bay Area research projects. Whereas, the Switzerland auxiliary hub would take on "patent risk mitigation + technology introduction," leveraging Switzerland's international network and legal environment to support technology introduction and risk mitigation for charitable projects.

The students further proposed a governance structure for this philanthropic entity, with an Advisory Committee composed of senior scientists from Hong Kong universities and Swiss financial risk control consultants. The advisory committee would serve as the strategic brain of the charitable structure, performing cross-border coordination, risk buffering, and intergenerational succession functions.

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<sup>1</sup> Long, Y. (2025). Impact of corporate philanthropy on social development in emerging economies. *Journal of Lifestyle and SDGs Review*, 5(5), e06602.

The Committee's design must integrate professional authority with family values.

A dual-hub model that places the operational structure in Hong Kong and utilizes Switzerland for asset protection and neutrality would allow Chinese entrepreneurs to achieve both succession and social impact goals. This integrated approach not only secures the long-term sustainability of family assets but also reinforces the family's values and cohesion across generations.

In conclusion, strategic philanthropy should be considered an essential part of legacy planning. Philanthropic activities serve as a crucial vehicle for succession. Charitable projects can enhance the younger generation's leadership and social responsibility, helping them understand family values and paving the way for future succession<sup>2</sup>. Meanwhile, incorporating philanthropy into succession planning offers tax benefits. Moreover, charitable activities help family businesses establish strong social networks, which provide support when the business seeks expansion and technological innovation, bringing new development opportunities and resources<sup>3</sup>. Charitable investments also enhance the social reputation of family businesses, earning recognition and respect from the public, government, and partners. Good reputation not only helps businesses establish a positive image but also translates into valuable commercial resources.

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### **Team Members**

Chenyu Ma, Jiahui Shi, Yiheng Wu, Dongxin Xu, Ninglu Yang, Tong Zheng

### **Project Sponsor**

Stephen Pang, *Julius Baer*

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<sup>2</sup> Lee, J., Lee, Y., & Park, C. (2025). Substantive action and communication in corporate philanthropy: Implications of hypocrisy and stakeholder type. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*. <https://doi.org/10.1002/cjas.70010>

<sup>3</sup> Long, Y. (2025). Impact of corporate philanthropy on social development in emerging economies. *Journal of Lifestyle and SDGs Review*, 5(5), e06602.

# ETFs for High-Net-Worth Archetypes

## Tailoring ETFs for Different Chinese Family Office Profiles

An ETF portfolio manager himself, the Sponsor for the Horizon Wealth Partners student team wanted to know more about the ETF buying patterns of Chinese family offices. The HKU FWM students conducted a comprehensive literature review on global family office asset allocation trends. Based on their literature review and industry observation, the students summarized their findings into three general profiles of family office clients:

1. Traditional Industry High-Net-Worth Individuals
2. Wealth Inheritors from Multi-generational Families, and
3. Entrepreneurs from TECH sector and New Economy

These profiles, the students postulated, had a significant impact on investment preferences, which were further shaped by factors such as wealth accumulation patterns and generational values, thereby affecting their asset allocation decisions in ETFs. The following is the concise description of each profile:

**Traditional Industry High-Net-Worth Individuals** in traditional sectors like real estate, manufacturing or consumer goods, tend to have created their wealth via stable, cash-flow positive businesses. Their primary goals revolve around capital preservation, steady income generation, and risk mitigation as these clients often represent more mature, less volatile industries<sup>4</sup>. For them, family offices may deploy ETFs in the following strategic ways: To secure predictable cash flow while minimizing market risk, family offices often invest in **high-quality bond ETFs**. Clients in this category also prioritize consistent income to sustain lifestyle and legacy needs. **Dividend ETFs** can enhance overall income stability. Lastly, some traditional investors may utilize **commodity ETFs** to hedge against inflation risks affecting their physical assets (e.g., real estate or infrastructure).

**Wealth Inheritors and Multi-Generational Families** prioritize intergenerational wealth transfer, sustainability, and alignment with family values. Their asset allocation might emphasize balanced portfolios and ethical investing. **ESG ETFs** allow families to invest in companies with strong sustainability records, reflecting a growing trend toward impact investing. For long-term stability, **Multi-Asset Allocation ETFs** that combine stocks and bonds provide a balanced risk-return profile, suitable for families navigating market cycles while preparing for wealth handover. Finally, these families may have a preference for **Real Estate Related ETFs** for exposure to tangible assets without direct property ownership, aligning with traditional views on tangible assets while maintaining liquidity for future generations.

**Entrepreneurs from TECH sector and New Economy**, including those in sectors like digital technology, biotech, and new energy, typically have wealth concentrated in equity stakes of high-growth start-ups or publicly traded tech firms. Their profiles are defined by a growth-oriented mindset, appetite for innovation, and a need to diversify single-sector risk. Asset allocation for these investors may include: **Sector-Specific Growth ETFs** to capitalize on industry trends while reducing stock-specific risk; **Global Equity ETFs** to mitigate regional concentration risks, especially for entrepreneurs with significant exposure to a single national market; and, **Currency-Hedged ETFs** to manage foreign exchange risks when deploying capital in non-RMB markets, ensuring returns are not eroded by currency fluctuations.

The team then created three model portfolios to test the volatility and return against investors' needs:

<sup>4</sup> Hong Kong Financial Development Council & Tsinghua University. (2022). 中国家族办公室报告-2022.

### Risk-Averse

Prioritizes capital preservation and low volatility, favouring fixed income and cash over equities. Suitable for family offices cautious about market fluctuations.

### Risk-Loving

Embraces high volatility for potential high returns, heavily weighting equities, alternatives, and now a Bitcoin ETF. Appropriate for family offices with aggressive growth objectives.

### Risk-Neutral

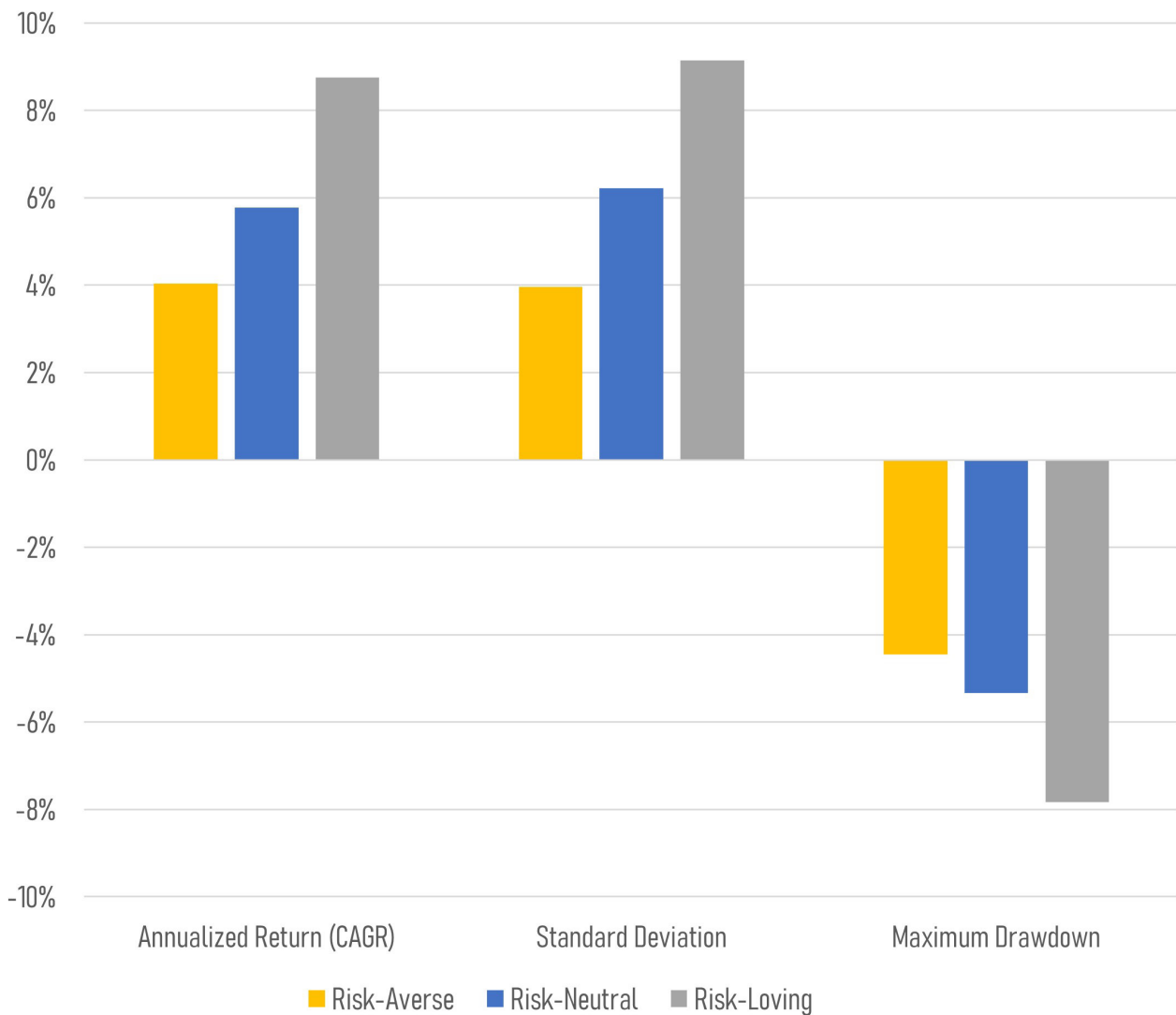
Balances growth and stability, accepting moderate risk for reasonable returns. Ideal for family offices seeking a diversified approach.

The team employed a dynamic tactical asset allocation methodology, and back-tested their allocation to arrive at the results shown in the table below.

	Risk-Averse	Risk-Neutral	Risk-Loving
<b>Fixed Income</b>	iShares Core U.S. Agg Bond ETF Vanguard Total World Bond ETF VanEck China Bond ETF	Vanguard Total World Bond ETF iShares Core U.S. Agg Bond ETF	Vanguard Total World Bond ETF iShares iBoxx \$ High Yield Corporate Bond ETF
<b>Cash</b>	SPDR Bloomberg 1-3 Mth T-Bill ETF	SPDR Bloomberg 1-3 Mth T-Bill ETF	SPDR Bloomberg 1-3 Mth T-Bill ETF
<b>Equities</b>	SPDR S&P 500 ETF iShares China Large-Cap ETF	SPDR S&P 500 ETF Vanguard FTSE Emerging Markets ETF iShares MSCI China ETF	SPDR S&P 500 ETF Vanguard FTSE Emerging Markets ETF Vanguard FTSE Developed Markets ETF iShares MSCI China ETF
<b>Alternatives</b>	Vanguard Global ex-US Real Estate ETF SPDR Gold Shares	Vanguard Global ex-US Real Estate ETF Invesco Optimum Yield Diversified Commodity Strategy ARK Innovation ETF	Vanguard Global ex-US Real Estate ETF Invesco Optimum Yield Diversified Commodity Strategy ARK Innovation ETF Grayscale Bitcoin Trust ETF

## Portfolio Performance of the 3 Proposed Portfolios

Jan 2020–May 2025 Backtested



These model portfolios serve as a sturdy guide for family offices, helping them align investments with their risk tolerance while pursuing growth, stability, and diversification.

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### Team Members

Xuanyu Chen, Wei Gong, Meng Ian Lei,  
Justin Pakson Tang, Zhengyu Yun

### Project Sponsor

Dennis Fok, *Mirae Asset Global Investments*

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Source: Analytics generated by Portfolio Visualizer based on student input

# Tech Sector Due Diligence

## A Scorecard for Assessing Investments in Enterprise Software

In this research project, the student team worked with a Hong Kong-based family office that prioritized private market investments across Europe and Asia, with a clear mandate to deploy capital in sectors such as enterprise software and healthcare along a 3–5-years investment horizon. Taking into account the family’s investment objectives, preferences, and other unique context-specific needs, the students developed a set of investment criteria to guide the family office’s analysis of investment opportunities, especially in the enterprise software sector. Specifically, the family office was looking for investment

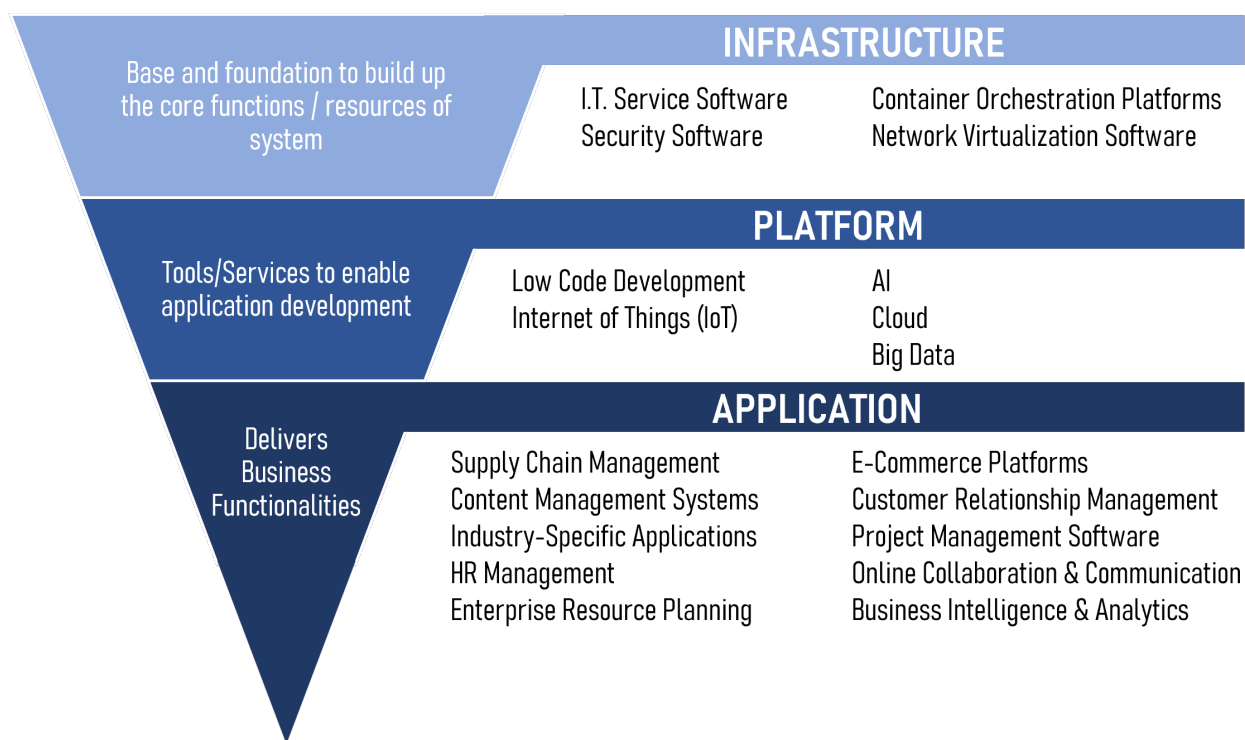
opportunities with high operational efficiency, strong recurring revenue models, and potential for societal impact.

After setting up the criteria, the students explored the enterprise software sector, detailing the sector’s structural characteristics, growth drivers, and evolving trends. The study divided the global enterprise software landscape into constituent sub-sectors, offering investors a clear taxonomy that distinguishes between mature markets and emerging frontiers with distinct risk return profiles.

Figure 1: Investment Scorecard

	Weight	Excellent (5)	Good (4)	Fair (3)	Poor (2)	Very Poor (1)
<b>Revenue Growth</b>	20%	Above 40% with strong acceleration & durability	30-40% with good acceleration & durability	20-30% with mild acceleration	10-20% with some deceleration	Below 10% with significant deceleration
<b>Operating Leverage (Rule of 40)</b>	20%	Growth rate + operating margin > 50%	Growth rate + operating margin = 40-50%	Growth rate + operating margin = 30-39%	Growth rate + operating margin = 20-29%	Growth rate + operating margin < 20%
<b>Gross Margins</b>	20%	>80%	70-80%	60-69%	50-59%	Growth rate + operating margin < 20%
<b>Operating Margins/FCF</b>	10%	>20%	10-20%	5-9%	0-4%	<0%
<b>Sales Efficiency (CAC Payback)</b>	10%	<12 months	12-14 months	15-16 months	17-20 months	>20 months
<b>Customer Growth</b>	10%	>40%	30-40%	20-29%	10-19%	<10%
<b>DBNRR</b>	10%	>1.3	1.2-1.3	1.1-1.19	1-1.09	<1

**Figure 2: The Enterprise Software Landscape**



Next, the students assessed two real-time market investment opportunities using their scorecard. The first opportunity was related to an HR SaaS technology company. By applying the scorecard criteria, the students concluded that the target was an attractive investment opportunity that aligned well with the family office’s investment mandate. The second opportunity was related to a digital healthcare provider where the margins and customer growth metrics were relatively weaker against the scorecard assessment, so the students recommended holding off on the investment.

Leveraging the two use cases as examples, the students concluded that other family offices may consider developing their own frameworks based on their own investment beliefs and criteria. In general, frameworks like this should consider four dimensions: firstly, the company’s business model and scalability; secondly, the company’s market position and competitive edge; thirdly, the company’s financial performance and growth potential; and lastly, potential risks and challenges.

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**Team Members:** Denny Jie Deng, Rebecca Fung Yee Lau, Chelsea Zhuosi Li, Zoe Yijing Luo, Harry Hau Yin Ng

**Project Sponsor:** Ming Chen, *LEFA*

# Culture and Family Heritage

## A Cross-Country Comparison of Historic Families

Wealth management and inheritance are often intertwined with cultural and historical backgrounds. It is of great significance to explore in depth how families protect wealth, achieve financial and non-financial goals, and practice social responsibility. The HKU FWM students in Team Visionary Vanguard studied wealth management strategies and practices in mainland China and Japan, revealing the unique paths and valuable experiences of the two countries. Here, we share two examples that the team researched.

### Fan Family Estate in China

Cultural values that come from Confucian ideas, such as education, social duty, and intergenerational wealth transfer, inform philanthropy in the family office community in mainland China. In China, families have always been aware of wealth as not just a private resource, but also a means to help the

family and society. The tradition dates back a millennium, for example to the Song Dynasty's Fan Clan Estate, which supported educational and community welfare projects.

The Fan Family Charity (范氏义庄) was founded by Fan Zhongyan (范仲淹), a famous politician in the Northern Song Dynasty, in his hometown of Wu County (now Suzhou). It provided support for education, weddings, funerals and living expenses for the Fan family. The Fan Family Charity had the characteristics of a modern trust and charity: the clan committee held decision-making authority; income came from the leasing of clan land; all Fan descendants had the right to share the income; and the local government supervised the implementation of the rules. Fan Zhongyan initially purchased 1,000 acres of good land. By 1240, through the continuous donations of land by clan members, the land of the charity increased to 3,168 acres.



The principles of wealth inheritance and distribution of the Fan Estate reflected a fusion of Confucian ethics and clan system. The core principles included: clan property was publicly owned and private division was prohibited; dedicated personnel were responsible for management; accounts were regularly published and subject to supervision; universality and priority were combined to ensure basic living allowances for all clan members and additional support for special groups; clan members were subsidized to participate in the imperial examinations. These principles not only ensured the long-term inheritance of wealth but also promoted resource sharing and risk sharing within the family.

The Fan Estate was the earliest asset management system with trust-like functions in Chinese history and became a model for later noble families to follow. Its charitable practices had a far-reaching influence—the Fan Estate was the predecessor of Suzhou Jingfan Middle School (苏州市景范中学), which continues to operate today.

This cultural view of charity persists today in the approach to philanthropy by Chinese family offices. 84% of single-family offices in Greater China participate in some form of philanthropy, with education being the largest focus (at 34% of all charitable activities), according to a 2024 HKUST Report<sup>5</sup>. This reflects a deep conviction in the value of education to promote social mobility and family prestige.

### Mitsui Family in Japan

The Mitsui family originated in the Edo period, starting with the “Echigoya”, which was a prominent kimono and textile merchant shop in Edo (modern-day Tokyo) during the Edo period in Japan<sup>6</sup>, subverting the traditional retail industry through marked prices and a thin profit-multiple-sales model. Later, the

family became one of the shogunate’s imperial merchants, collecting tribute rice and managing finances on behalf of the government. After the Meiji Restoration, Mitsui Bank, the first private bank in Japan, was founded in 1876 to support the new government and began to build a diversified business.

The Mitsui family pioneered three major systems, using the Mitsui family constitution (宗竺遺書)<sup>7</sup> as the core of governance. First, assets were clearly delineated: business and family property were separated, profits were uniformly deployed by the “Omotokata” (大元方)<sup>8</sup>, which is the highest control body for all Mitsui businesses, and a reserve fund was set up to cope with risks. Second, a check-and-balance system was instituted for family decision making: family meetings determined decisions on major affairs, while important managerial positions were operated by professionals. Lastly, the family absorbed talent through the adopted son system: the family took in elites from outside the family name, realizing “competence-based” inheritance and ensuring the continuation of the family business.

### Cultural Differences Observed

Japanese families prioritize the “continuation of the family name” as their core goal. The family business is considered an independent entity beyond blood relations, forming a business community bound by the ethical principle of “loyalty”.

In contrast, Chinese families are founded on bloodline and patriarchal relationships, emphasizing the culture of “filial piety” and the continuation of the family line. The scope of relatives includes both direct and collateral lines, and wealth inheritance is strictly based on blood relations.

<sup>5</sup> HKUST and EY Jointly Publish the Landscape of Family Offices in Greater China Report 2024. Hubbis. Retrieved August 8, 2025, from <https://hubbis.com/news/hkust-and-ey-jointly-publish-the-landscape-of-family-offices-in-greater-china-report-2024>

<sup>6</sup> 三井家発祥の地・松阪。三井広報委員会。Retrieved August 8, 2025, from <https://www.mitsuipr.com/history/edo/01/>

<sup>7</sup> 三井家の家憲「宗竺遺書」。三井広報委員会。Retrieved August 8, 2025, from <https://www.mitsuipr.com/history/edo/05/>

<sup>8</sup> 大元方を基礎に三井合名会社を築く。三井広報委員会。Retrieved August 8, 2025, from <https://www.mitsuipr.com/history/columns/006/>

Japan's institutional design is flexible, with ability as the core criterion for selection. The status of the eldest son can be revoked, and corporate governance emphasizes the separation of ownership and management rights, with professional managers dominating operations. In contrast, China's traditional approach relies on patriarchal power, which is lifelong and highly centralized.

By exploring these concepts, family wealth managers can uncover the motivations of the families they are advising, and guide them to decisions that align with their cultural values.

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**Project Sponsors:** Yumian Lu, Yuchen Xia, *New Horizon Global*

# Healthcare + Finance Collaborative

## A Proposal for Strengthening Hong Kong's Position as an Impact Investing Hub

Impact investing is growing fast around the world. It brings together finance, public policy, and social enterprise. It is not the same as traditional philanthropy. Philanthropy gives donations without returns. Impact investing aims to create social value and make money at the same time. The market shows strong growth. According to the Global Impact Investing Network (GIIN), over 3,907 organizations manage an estimated \$1.571 trillion USD in impact investing assets under management (AUM) worldwide, as of 2024<sup>9</sup>. With over 2,700 family offices in Hong Kong<sup>10</sup>, there is potential capital in this city to make more impact investments.

HKU FWM students in Team SYNY studied the market opportunities and challenges of making Hong Kong a hub for impact investing. Through primary interviews and secondary research of international case studies, the students formed a few ideas on how Hong Kong may further penetrate this market. One of these ideas was a healthcare + finance collaborative, which came from the team's research of Hyundai family members' investment into Singapore-based private equity firm, Sylvan Group, and its focus on orthopaedic treatment in Southeast Asia.

Impact investment may offer three advantages over traditional philanthropic donations in addressing social issues. First, its capital recycling mechanism builds sustainable self-sufficiency. Traditional philanthropy relies on onetime donations—for example, early medical donations from the Rockefeller Foundation only alleviated needs short-term—whereas impact investment achieves capital regeneration through market-oriented operations.

Second, systematic solutions break through the limitations of superficial relief. Philanthropic donations often focus on single-point aid—such as traditional orthopaedic medical donations funding only equipment purchases—while impact investment resolves structural contradictions through process reconstruction. For example, Sylvan Group integrated the entire orthopaedic treatment chain, shortening patient visit times and improving medical efficiency via a payment-by-effect mechanism. Third, impact measurement aligned with resource allocation ensures more efficient evaluation.

The students identified interest among private families in supporting healthcare initiatives. They proposed establishing a Healthcare Impact Investment Fund using a government guidance + family office follow-up blended finance model. For example, a deal could be structured with 30% government funding and 70% family office investment to reduce initial investment risks. Some investment ideas included use of technology to increase data interoperability between public and private institutions, development of a drug patent introduction platform, and investment into low-cost biotech therapies suitable for developing countries, such as innovative drugs for dengue fever and tuberculosis, which are prevalent in Southeast Asia.

In conclusion, global case studies show that impact investment is moving from the periphery to the mainstream, becoming an effective tool for family offices to achieve dual goals of wealth inheritance and social value.

<sup>9</sup> Hand, Dean et al. (2024). Sizing the Impact Investing Market 2024. Global Impact Investing Network, accessed 18 Jul 2025, <https://thegiin.org/publication/research/sizing-the-impact-investing-market-2024/>.

<sup>10</sup> Deloitte (2024, Mar 18). Market Study on the Family Office Landscape in Hong Kong. [deloitte.com. https://www.deloitte.com/cn/en/services/deloitte-private/research/market-study-on-the-family-office-landscape-in-hk.html](https://www.deloitte.com/cn/en/services/deloitte-private/research/market-study-on-the-family-office-landscape-in-hk.html)

Its core breakthrough compared to traditional philanthropy lies in constructing a sustainable mechanism of capital circulation—systemic change—ecological co-construction.

In the next decade, Hong Kong family offices should transcend the superficial practice of ESG compliance and deepen engagement in core fields like energy transition, medical equity, and inclusive finance. By building market infrastructure, focusing on advantageous tracks, and innovating financial tools, they can transform capital into a catalyst for systemic change, realizing a new wealth paradigm of “having both fish and bear’s paw”—generating returns no lower than market levels while driving genuine solutions to humanity’s shared challenges. This is not only a reconstruction of capital efficiency but also a redefinition of the meaning of family heritage.

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**Project Sponsors:** Cherry Cheung, Lillian Li, Philip Lui, *Social Impact Partners*

# Family Enterprise M&A

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## A Comparative Study of Strategic Paths by and of Family Firms

Asian family firms often grapple with the need to adapt while clinging to the traditions that set them apart. Many of these businesses remain stubbornly multi-generational, particularly in Greater China, and their ownership maps often look like family trees gone sideways<sup>11</sup>. This reflects the reality that traditional Asian families heavily rely on existing kinship structures for asset allocation. Amid a changing economic context, the very same firms now wrestle with fresh demands for renewal, tougher rivals, and markets that refuse to sit still<sup>12</sup>. Compounding these pressures, an accelerating generational handover is pushing older owners to rethink everything from risk appetite to governance structure<sup>13</sup>.

One response that has gained traction is the outright sale of equity, a move colloquially labelled a buyout and read by many founding families as a ticket to both liquidity and innovation<sup>14</sup>. Whether led by in-house executives, a hungry buy-out fund, or even the clan itself, the transaction recasts control and clears the way for fresh leadership. Beyond the obvious cash infusion, it can also settle nagging disputes among heirs, professionalize operations, and plug short-term financing gaps when shares are scattered among cousins<sup>15</sup>.

The HKU FWM students in the Intergenesi Team studied how three family businesses

turned to mergers and acquisitions in moments of generational hand-off and fierce market pressure. By doing so, the team hoped to sketch an integrated blueprint for understanding family-controlled mergers and acquisitions. The three case studies were:

- Acquisition of a family-run investment firm by a private equity firm to institutionalize the target's operations and governance
- A family-owned company in China, buying a family-owned company in Europe to expand its strategic footprint
- A successful entrepreneur acquired a smaller company in an adjacent industry to achieve vertical integration

The students learned that the underlying motivations of all three entities were profoundly different despite the fact that they were all involved in the M&A deal. These differences had a significant impact on criteria for selecting targets, transaction structures, and subsequent integration methods.

For example, with the first case, the buyer was looking to inject institutional practices to increase the value of the acquisition. They were therefore quick to identify and empower key leaders by providing them with appealing equity incentives and significant autonomy.

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<sup>11</sup> Zhang, J. (2023). Building a lasting family legacy in Asia: values, governance, and policy. Cambridge Associates. <https://www.cambridgeassociates.com/insight/building-a-lasting-family-legacy-in-asia-values-governance-and-policy/>

<sup>12</sup> Ng, R., Ng, S. Q., Gan, E. (2017). Transforming Family, Singapore Chinese Chamber of Commerce & Industry. PwC Singapore, & UBS Global Wealth Management. <https://www.pwc.com/sg/en/publications/assets/epc-transform-family-businesses-201805.pdf>

<sup>13</sup> Yeung, A., & Ng, C. (2024). UBS study shows buying 'Succession dip' could enhance long-term returns. UBS. <https://www.ubs.com/global/de/media/display-page-ndp/en-20240521-study-shows-buying-succession-dip.html>

<sup>14</sup> Niessner, J. (2024). Southeast Asia buyouts: GPs sense a groundswell, conglomerates may oblige. ION Analytics. <https://ionanalytics.com/insights/mergermarket/southeast-asia-buyouts-gps-sense-a-groundswell-conglomerates-may-oblige>

<sup>15</sup> Zhang, J. (2023). Building a lasting family legacy in Asia: values, governance, and policy. Cambridge Associates. <https://www.cambridgeassociates.com/insight/building-a-lasting-family-legacy-in-asia-values-governance-and-policy/>

On the other hand, the second case required preserving the essence of the European brand. Stabilizing the founder and the core creative/design team was a key goal of the talent retention strategy. Lastly, the third case employed a combination of equity transfers, earn-outs, and restrictions to establish a strong bond between the acquisition's core technology and management team, ensuring that their interests became aligned with that of the buyer's long-term objectives.

The three companies exhibited substantial differences in their post-acquisition performance assessment metrics. Being a financial buyer, the first case sought to optimize financial returns and capital efficiency. The second case exhibited more patient capital, looking to optimize its brand portfolio and achieve strategic synergy, with long-term contributions to the group. With the third case, value was demonstrated through the improvement of the buyer's fundamentals and organic growth potential. The fundamental objectives of financial investors and various categories of strategic investors directly reflected in these differences.

Based on these and other findings, the students proposed that future wealth managers looking at M&A of family businesses should consider the following dimensions:

1. Motivation for the M&A deal,
2. Organization & cultural integration,
3. Talent retention mechanisms,
4. Risk mitigators, and
5. Post-acquisition performance assessment

Practice-minded investors, from tight-knit family shops to public funds, can use these observations as a step-by-step checklist the next time they line up potential partners.

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**Team Members:** Chien Yuan Chen, Pak Hon Hung, Yingting Ouyang, Xuecong Wang, Jiarui Wu, Jiamiao Xie

**Project Sponsor:** Judy Zhang, *Cambridge Associates*

# Enhancing Family Office Investing

## Building an Institutional Quality Investment Program for Family Offices

The sponsor of Team Apex Nexus felt that many family offices could still learn from institutional investors when it came to private market investment due diligence. She therefore asked the HKU FWM students in the team to identify common gaps in family office investment practices and to present an investment decision-making process that would address these gaps.

To address the sponsor's questions, the students first attributed common gaps into 5 different categories:

1. **Structural Disadvantages**, compared with specialized investment institutions, such as PE/VC funds and hedge funds. Single family offices are not always able to tap into proprietary deal flows or enjoy favourable deal terms. Their resources may be stretched between conducting due diligence and addressing KYC/AML concerns of local authorities.
2. **Idiosyncratic Asset Allocation** linked to home bias tendency and sentimental considerations. Many investors may not be aware that their asset allocation reflects home bias. In the investment market of Asia, home bias is mainly manifested in investors' exposure to emerging market stocks. However, this bias may harm the investment returns of investors and family offices.
3. **Missing Steps in Investment Decision Making** are manifested in the absence of two major aspects: the investment committee and the investment policy statement (IPS). In the absence of the investment committee and IPS, investment decisions are prone to being influenced by

the will of family members, resulting in the inability to apply objectivity to investment decisions.

4. **Higher Investor Risks** specific to family offices, including family black swan events and lower regulatory constraints due to the money being perceived as proprietary. In the former, the portfolio may be required to endure proportionally larger investment shocks such as the sudden death of a key family member or a mobility crisis triggered by marital changes among family members. In the latter, regulators are more likely to place oversight on financial institutions that are handling third-party monies, such as hedge funds and private banks, leaving family offices to determine their own risk stress testing.
5. **Limitations in Attracting Talent**. According to a survey by Deloitte, in the Asia-Pacific region, 78% of family offices are still led by family members, while only 22%<sup>16</sup> of family offices are led by professionals who are not family members. Finding professionals who understand the family office, the family business culture, and the vision of family members is not always straightforward.

While some of the above gaps are structural and difficult to change, other gaps, specifically those related to the investment decision process, could be addressed through implementing more rigor in the investment workflow. Therefore, the FWM students proposed a "structured, institutional-grade investment workflow" built around five integrated pillars:

<sup>16</sup> Deloitte (2024). The Family Office Insights Series – Asia Pacific Edition: The Top 10 Family Office Trends, 2024. deloitte.com. <https://www.deloitte.com/global/en/services/deloitte-private/research/family-office-insights-series-asia-pacific-edition.html>

### Step 1: Needs Assessment & Strategic Asset Mapping

- Diagnose the family office's wealth source, volatility, time horizon, and legacy objectives.
- Conduct constraint analysis in terms of regulation, ethics, finance, taxation, and jurisdiction.
- Tailor asset allocation matrix mapping to appropriate vehicles (e.g., REITs, infrastructure, commodities, hybrid capital).

### Step 2: Institutional Deal Sourcing

- Source via trusted institutional platforms, long-term partners, and established cross-border origination parties.
- Apply strict filters: multi-cycle track records, aligned fee/governance models, and defined exits.
- Avoid opaque, under-capitalized, or speculative projects lacking institutional validation.

### Step 3: Standardized Due Diligence

- Conduct multi-layer diligence on sponsors, legal/tax structures, financial forecasts, and asset-level fundamentals.

### Step 4: Family Office-Centric Structuring

- Customize vehicles to match legal, tax, and estate structures.
- Use tools such as trust wrappers, waterfall revenue mechanisms, and liquidity buffers.
- Embed controls: LP boards, NAV reviews, clawbacks, and reporting cadence.

### Step 5: Monitoring & Active Stewardship

- Deliver quarterly performance dashboards and benchmarks.
- Conduct macro stress testing and tactical rebalancing.
- Re-underwrite positions during major dislocations to preserve capital integrity.

The students further illustrated the above workflow by applying it to two potential investment opportunities—one in REITs and another in oil & gas. By doing so, the students sought to demonstrate that family offices could follow the same rigor as institutional investors in their due diligence, structuring and monitoring of investments.

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**Team Members:** Xinran Luo, Tingyin Ou, Jiangzheng Wang, Yitu Wang, Hao Wu, Haotian Xie

**Project Sponsor:** Tina Wei, *PristineView Capital Advisers*

Synopsis from

# 2025 FWM Capstone Day



# Reaping Fruits of Our Labour

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## June 18: A Productive Working Day and Celebration

On 18 June, the first class of HKU's Master of Family Wealth Management students completed their capstone projects, marking the end of a year-long, multi-disciplinary journey into family wealth management. From early in the morning to late in the afternoon, a panel of professors and industry experts listened to student teams presenting their research findings. The students received valuable feedback that they will carry with them as family wealth managers. FWM students who were on the internship track also joined their research peers to mark this important milestone.

After the student presentations, our Programme Director, Bonnie Leung, gave a heartfelt speech, thanking all those who contributed to the success of the programme's first year. This included not only distinguished guest speakers, industry sponsors, employers, professors, and scholars, but also administrative staff who worked tirelessly behind the scenes to ensure everything ran smoothly. Next, Professor Zhiwu Chen and Professor Pingyang Gao presented certificates of appreciation to our valued project sponsors and internship employers, followed by photo-taking to capture these moments of success and partnership.

The day concluded with a dinner to thank our industry friends and to mark the completion of the first year as one, big "FWM family." We would especially like to thank our sponsors, professors, instructors, and other industry partners for attending and providing feedback on student presentations during Capstone Day.

### Student performances on FWM Capstone Day



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## Research project student testimonial



“The Capstone project has been an immensely valuable and unforgettable experience for me. Collaborating with professionals from a family office, I conducted in-depth research on AI investment opportunities within the ERP industry, grounded in the FO’s specific needs and preferences.

Through a rigorous screening process of sub-sectors, I identified a leading stock in the healthcare technology space and earned my mentor’s approval—a moment of great personal fulfilment. This project transformed my understanding of investment research and asset allocation from mere theory into hands-on practice.

Most importantly, the deep collaboration with my teammates, as we strove together for impactful deliverables, provided a perfect culmination to my academic journey.”

*Zhuosi Li, 1<sup>st</sup> cohort of HKU Master of Family Wealth Management Programme*

## Family Wealth Mentors—Project Sponsors



# Not to Forget...

## Thank You to Our Internship Employers

We also want to express our heartfelt gratitude to the following employers who hosted our students, offering mentorship, guidance, and opportunities to grow. These internships provided hands-on experience, allowing students to apply their skills in real-world settings and gain invaluable professional insights.

Your commitment to fostering talent has been pivotal in preparing our students for their future careers.

Thank you for your invaluable partnership in making this internship programme a resounding success!

### Family Wealth Mentors—Internship Employers



BC Global Asset Management Ltd.

BIPPO Family Office

Blue Brick Consulting Group Pte Ltd

Chartwell Capital Limited

Cullinan Family Office Limited

Deca Capital Limited

Fargo Wealth Group Limited

Goldstream Investment Ltd.

Guosen Securities (HK) Financial Holdings Company Limited

Infinity Asset Management Limited

JIG Family Office

Junson Capital Company Limited

Merit Asset Management

PrecisionEdge Capital Corporation

Raffles Family Office

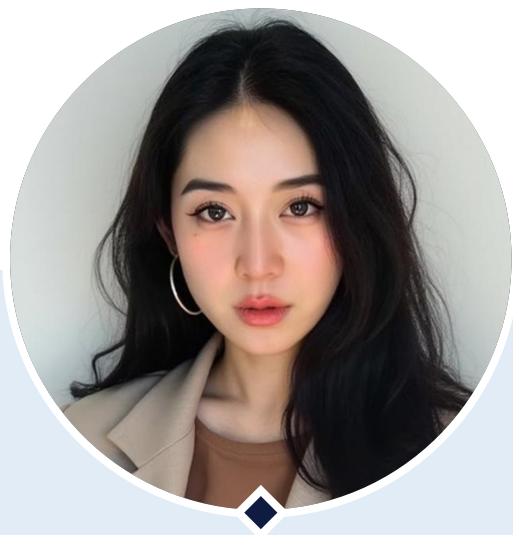
Right Time Asset Management Company Ltd

Wisdom Global Family Office Limited

Yifan Lawyers

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## Internship student testimonials



“As one of the first students in HKU’s Master of Family Wealth Management program, I feel incredibly fortunate to have secured an internship at a multi-family office through the Capstone project, and ultimately received a return offer.

What struck me most about this project was that it provided genuine internship opportunities. We weren’t working on simulated case studies – we were actually participating in the day-to-day operations of a family office.

During the internship, I had the chance to work closely with various departments, from asset allocation to family governance, every aspect taught me things I could never learn from textbooks.”

*Yichen Bai, 1<sup>st</sup> cohort of HKU Master of Family Wealth Management Programme*



“With the assistance of the Programme Capstone Project, I was fortunate enough to secure an internship at a multi-family office.

During the two-month internship, the company developed a comprehensive training and work plan for interns and organized multiple industry field trips, including visits to various trust companies, private banks, securities firms, and the Big Four accounting firms.

These experiences provided us with a deeper understanding of the family office industry ecosystem, offered the latest industry insights, and laid a solid foundation for our future career paths.”

*Lian Deng, 1<sup>st</sup> cohort of HKU Master of Family Wealth Management Programme*



“My capstone internship at a multi-family office served as the vital bridge between theoretical principles and the dynamic realities of family wealth management.

This experience profoundly deepened my understanding of professional ethics, revealing how fiduciary responsibility extends beyond maximizing financial performance to encompass holistic family wellbeing.”

Hualing Ouyang , *1<sup>st</sup> cohort of HKU Master of Family Wealth Management Programme*

# About

## The Programme

The Master of Family Wealth Management programme (“FWM”) is a taught Master Programme jointly offered by HKU Business School and Hong Kong Institute for Humanities and Social Sciences (IHSS).

Housed in the storied May Hall, a declared historical monument at the heart of HKU’s main campus, the FWM Programme offers an interdisciplinary mix of skills and knowledge courses that help students develop the soft and hard competencies required for a successful career in this rising industry.

Graduates will be well-equipped to embark on a successful career as family wealth managers, whether as professionals in the field or as integral members of their own family legacy.



#wherefamiliesandwealthcrossover