

*On Wednesday 16<sup>th</sup> July 2025, the Securities and Futures Commission (“SFC”) released its yearly survey of Asset and Wealth management activities 2024.*

*The Survey offers a comprehensive overview of the sector’s key trends, growth, and evolving dynamics in Hong Kong. It details important statistics on assets under management (AUM), net fund inflows, the rising popularity of innovative fund vehicles like open-ended fund companies (OFCs) and highlights the expanding activities of Mainland Chinese firms. The survey is a testament to Hong Kong’s resilience and its strengthening position as a global hub for asset and wealth management.*

## **Read more about the 2024 SFC Asset And Wealth Management Activities Survey Highlights →**

For more details of the SFC’s activities and strategic initiatives, the full report may be accessible via - <http://alturl.com/24q7j>

Should you have any questions, please feel free to contact us via email at [info@pcacompliance.com](mailto:info@pcacompliance.com).

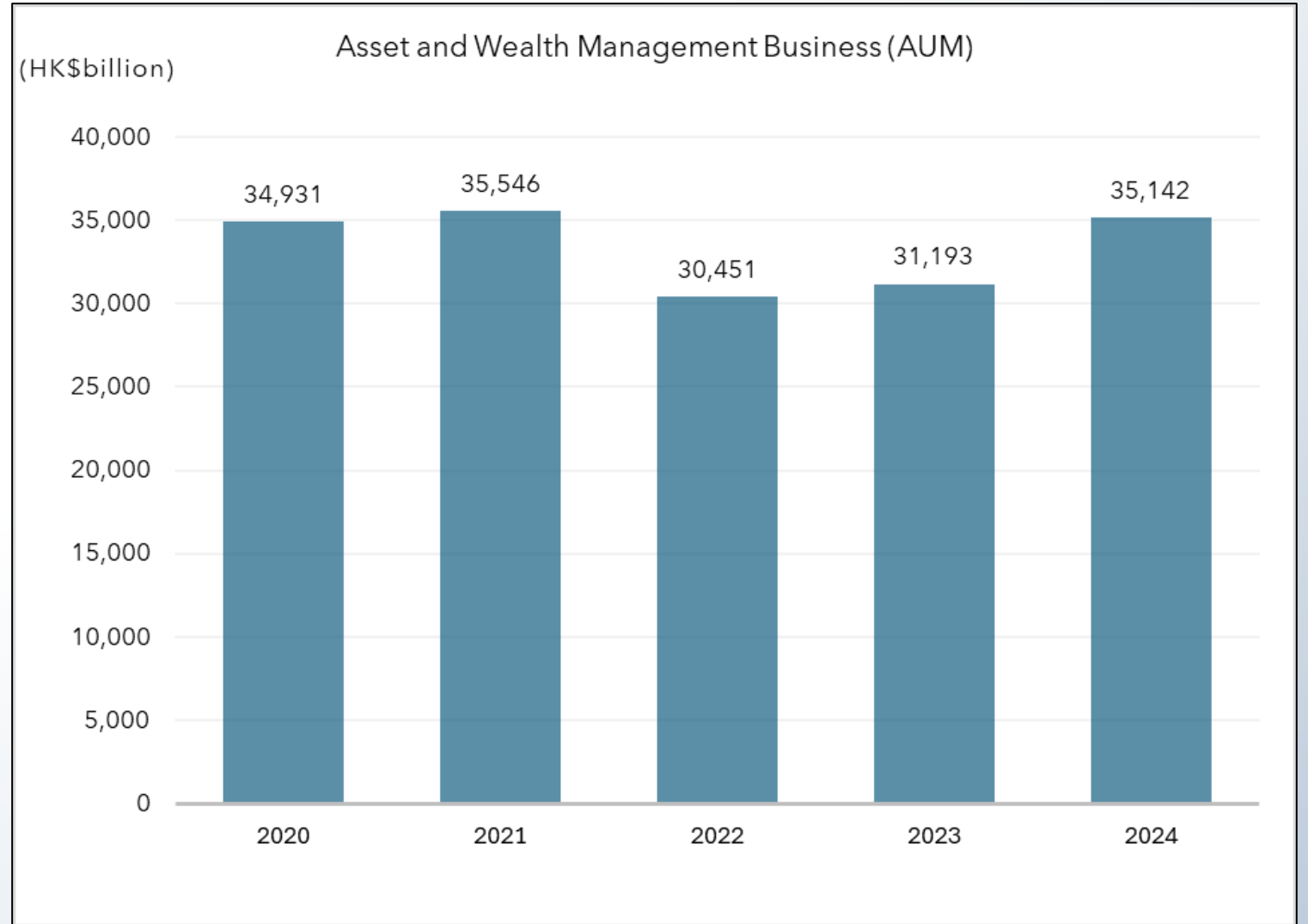


# Survey Highlights

- ❑ **Total AUM: HKD 35,142 billion (US\$4,526B)**
  - *Up 13% YoY, demonstrating robust growth.*
- ❑ **Net Fund Inflows: HKD 705 billion**
  - *Surge of 81% YoY, indicating strong investor confidence.*
- ❑ **Private Banking AUM Growth:**
  - *15% YoY to HKD 10,404 billion.*
  - *Reflects increasing demand for bespoke wealth solution.*
- ❑ **OFC Registrations:** Surged 93% to 472 companies
  - *Driven by attractive fund structures and government incentives.*
- ❑ **Mainland-Related Firms Outperformed:**
  - *15% AUM growth, 68% increase in net inflows.*
- ❑ **Global Investor Base:**
  - *54% of total AUM from outside Mainland China & Hong Kong.*
  - *Highlights Hong Kong's international appeal.*
- ❑ **HK-Domiciled SFC-Authorised Funds:**
  - *AUM increased 22% YoY.*
  - *Reinforces Hong Kong's position as a fund domicile.*



# Assets Under Management 2024



# Sector Segmentation & Growth Drivers

Segment	AUM (HKD Billion)	Growth YoY	Net Fund Inflows
Asset & Fund Advisory Business	25,960	<b>+13%</b>	321 billion <b>(+571%)</b>
Private Banking & Wealth Management	10,404	<b>+15%</b>	384 billion <b>(+13%)</b>
Assets Held Under Trusts	5,735	<b>+11%</b>	N/A

## ❑ Dominant Segments:

- *Asset & Fund Advisory business leads in size and impressive net inflow growth.*

## ❑ Global Allocation:

- *59% of AUM invested outside Mainland China and Hong Kong.*

## ❑ Employment Growth:

- *Total staff in sector reached 53,695 in 2024, reflecting expansion.*

- *Robust growth across key segments, fuelled by international diversification and strong demand for professional management.*



# Mainland Connectivity: A Driving Force

- **AUM reached HKD 3,086 billion**
  - Significant **15%** YoY growth, outpacing overall sector.
  
- **Net Fund Inflows surged 68%**
  - Totalling HKD 256 billion, reflecting **strong** cross-border capital flows.
  
- **Staff Count Increased: +5%** to 3,904 employees.
  - Indicating expansion in operational and talent needs.
  
- **Five-Year Outperformance:**
  - Consistent **growth** trend underscores crucial role in Hong Kong's financial ecosystem.
  
- Mainland-related firms are a critical and rapidly expanding component of Hong Kong's asset and wealth management sector, leveraging unique cross-border advantages.



# Hong Kong as offshore RMB Hub & Fund Innovation

## ❑ Hong Kong-domiciled SFC-authorized Funds:

- Increased to 954 funds (22% YoY growth in NAV to HKD 1,642 billion).
- Net inflows: HKD 163 billion (2024), additional HKD 237 billion (Jan-May 2025).

## ❑ Open-Ended Fund Company (OFC) Structure:

- Growing popularity, supported by government incentives (e.g., grant schemes).
- Facilitates flexible and innovative fund domiciliation.

## ❑ Strategic Importance:

- Solidifies Hong Kong's position as a global investment management hub for RMB internationalization.
- A gateway for international investors to access Mainland markets and vice versa.



# Investor Profiles & Asset Allocation

## ❑ Global Investor Base:

- *Well-diversified, with over 50% of AUM from outside Mainland China and Hong Kong.*
- *Demonstrates Hong Kong's appeal to institutional and high-net-worth investors globally.*

## ❑ Strategic Asset Allocation Shifts:

- **Decreased reliance on Equities:** Signifying a move towards more balanced portfolios.
- **Increased allocation to Fixed Income & Alternatives:**
  - *Non-equity allocations grew from 46% to 59% over five years.*
  - *Includes private equity, hedge funds, real estate, offering diversification and stability.*

- *The market is maturing, with asset managers employing sophisticated strategies to meet evolving client demands and market conditions.*



# Compliance Imperatives in a Growing Landscape

## ❑ **Enhanced Regulatory Scrutiny:**

- *Robust growth demands heightened focus on cross-border asset management regulations (e.g., AML/CFT, data privacy).*

## ❑ **Mainland-Related Business:**

- *Growth necessitates strong alignment with both Hong Kong and Mainland regulatory frameworks.*
- *Requires **robust risk management** and reporting mechanisms.*

## ❑ **Complex Product & Structure Governance:**

- *Rise of OFCs and alternative assets calls for comprehensive internal controls, risk assessment, and due diligence.*

## ❑ **Client Suitability & Protection:**

- *Increased private banking AUM emphasizes need for stringent suitability assessments and transparent client communication.*

## ❑ **Talent Development:**

- *Growing sector implies continuous need for skilled compliance professionals to navigate evolving regulations.*

