INDUSTRY FUTURE

REPORT

CFA Institute
Research & Policy Center

Chinese Investors: Understanding China's Next Generation of Wealth

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Executive Summary

The private wealth industry in the Chinese Mainland (China) is entering a new chapter. The first major wave of intergenerational wealth transfer is unfolding alongside structural economic shifts, socioeconomic digital integration, and a capital market that remains policy-salient. For wealth management professionals in this environment, understanding how the next generation of affluent investors thinks and acts is no longer optional. Rather, this understanding forms the starting point for any future-ready advisory strategy.

This report provides a practical and forward-looking portrait of young, affluent investors in China for investment advisers and private wealth management professionals—including those at banks, securities firms, trusts, family offices, and wealth platforms. It is based on a survey of 300 young, wealthy investors in China (for details, see the Methodology portion of the section on the study's results). The report is designed to inform practitioners how they can adjust their business strategy and operating models to capture young investors' unique aspirations and portfolio demands. To meet the needs of this rising demographic of young clients, advisers must understand how trust is built and maintained in a digital-first environment and offer targeted advice that can withstand a market shaped by changing policy signals, sentiment cycles, and reinforcement dynamics.

A core storyline running through the findings is an aspiration–implementation gap. Young, affluent investors express clear long-term ambitions centered on wealth accumulation and preservation and report relatively high confidence, yet they also identify capability constraints, such as limited investing knowledge and limited access to skilled advice. Confidence is strongest for near-term financial tasks and weaker for more complex, long-horizon planning activities such as retirement and legacy/estate preparation. Their portfolios remain anchored in liquidity through cash-like instruments and bank/trust products.

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The practical implication is not that these investors lack ambition but rather that ambitious goals and typically shorter investment horizons compared with previous generations require more disciplined planning, education, and portfolio construction than many investors currently exhibit.

Portfolio posture in China is further shaped by preferences for domestic fixed assets (typically, housing) and offshore assets, which sit on top of a standard liquid portfolio baseline. Although a minority of young, wealthy Chinese investors hold investment real estate, the portfolio weight allocated to such assets among these investors can be material, averaging more than two-fifths of total assets. Despite capital controls, exposure to offshore assets is already mainstream among young, affluent investors, driven primarily by the need for asset preservation and international diversification. Together, these dynamics necessitate advisory capabilities that are balance-sheet aware and that integrate onshore and offshore exposures coherently.

Trust and adviser–client engagement in China also follow a distinctive architecture that differs from that of many mature wealth markets. Investors place unusually high weight on professional credentials and institutional credibility when choosing advisers, and ongoing trust is anchored most strongly in firms' data security. Underperformance and data/confidentiality breaches are leading triggers for investors to switch advisers. Engagement expectations are for high-cadence and digital-first communications, with private messaging and in-person contact remaining central. These preferences indicate that service quality is increasingly judged on the basis of secure, compliant digital engagement practices rather than traditional periodic-reporting formats.

Finally, the China survey results reveal a behavioral challenge that calls for a more structured governance approach. Policy cues and market sentiment frequently influence investment actions, yet investors rarely perceive the outcomes of these actions as negative. The strategic takeaway is to combine a long-term core investment discipline with explicit guardrails and structured review so that short-term decisions driven by behavioral factors do not cause portfolios to deviate materially from strategic asset allocations.

Key Takeaways[1]

- **Young investors have ambitious long-term goals but may be subject to an aspiration–implementation gap.** Young investors prioritize wealth accumulation (74%) and wealth preservation (61%), yet many target financial freedom relatively early (Gen Z at ~40 years old; millennials at ~50 years old), implying ambitious accumulation runways.
- **Advice and knowledge gaps are explicit—especially when goals meet complexity.** Top challenges cited by young, affluent investors include economy/market conditions (53%), lack of a skilled adviser (29%), and lack of investing knowledge (25%), pointing to a practical advice/education opportunity.
- **Learning is platform based and mediated by both professionals and social media influencers.** Financial professionals remain the most used and most trusted source (57% used; 76% trusted), but financial influencers ("finfluencers") are used by 51% and trusted by 66%, much higher than global benchmarks. These results make digital credibility and qualifications essential to compete in this environment.
- **Investors' decision-making is anchored to core risk–return–cost dimensions.** The top decision inputs are expected returns (56%) and comfort with risk (56%), followed by costs (48%) and diversification benefits (38%). This suggests that despite the uniqueness of the China market with respect to cultural, digital, regulatory, and behavioral factors, the wealth management proposition remains grounded in performance and value for money.
- **Portfolios remain liquidity based in bank/trust products.** Cash/cash equivalents (72%) and bank/trust wealth management products (62%) dominate holdings, indicating a liquidity preference and a risk-averse posture despite young investors' long-term ambitions.
- **Two China-specific exposures influence wealth planning: fixed assets and offshore allocation.** Young investors report a significant fixed-asset share. Although approximately 26% hold investment real estate, the average portfolio allocation to fixed assets among these investors is 43%, with wide dispersion. Offshore investing is already mainstream (81% have offshore exposure, with approximately 43% of their assets allocated to offshore investments). Offshore motivations include wealth preservation (55%) and international diversification (54%).
- **In the digital age, data security is central to trust.** Data security is the top trust builder (56%) and a top factor influencing the decision to switch advisers (42%), alongside underperformance (47%).

[1]Percentages in parentheses indicate the share of young investor respondents surveyed (Gen Z + millennials, *n* = 300 unless otherwise stated) who selected the given response option.

What This Means for the Private Wealth Industry: A Future-Ready Advisory Model

For wealth firms and practitioners, the findings in this report are not only descriptive but also point to a clear commercial opportunity. Young, affluent investors in China are engaging with advisory services earlier, demanding higher standards of trust and security in a digital-first environment, allocating meaningfully offshore, and seeking help to turn ambitious goals into executable plans. Firms that adapt their proposition early are better positioned to improve client acquisition, retention, and wallet share, particularly by meeting emerging demand for hybrid service, cross-border portfolio construction, and more disciplined behavioral governance.

In operating terms, the "future-ready" wealth proposition in China rests on three core capabilities: (1) digital-first service with human accountability and secure delivery, (2) cross-border, balance-sheet-aware portfolio construction, and (3) behavioral governance that manages reinforcement dynamics while protecting long-term outcomes. Building the capabilities to be future-ready requires not merely incremental product expansion but also an intentional operating-model redesign and customization. In practice, it often requires investment in data, AI-enabled workflow integration and personalized client-engagement digital infrastructure, and strengthened organizational governance. Firms that embrace this shift will be better placed to forge and deepen relationships with the next generation of wealthy investors in China.

Capability 1: Digital-First Service with Human Accountability and Secure Delivery

Young, affluent investors expect high-cadence advice and communications delivered where they spend attention (platforms and private messaging) while still valuing human accountability. Operationalize *AI + human insight:* Use AI-enabled solutions integrated into workflows and compliance to scale responsiveness and personalization while keeping advice governed by suitability and documentation. Secure communications, compliant record keeping, and clear authorship must serve to anchor the client relationship, so that speed and responsiveness do not affect the maintenance of confidentiality.

Capability 2: Cross-Border, Balance-Sheet-Aware Portfolio Construction

Advice must begin with the full household balance sheet, not only the liquid portfolio. Fixed assets remain dispersed, shaping liquidity needs, concentration risk, and risk capacity elsewhere. At the same time, offshore allocation is already mainstream and preservation led, especially among investors from Tier 1 cities and those with international experience, making cross-border expertise a core requirement. A future-ready proposition therefore needs to *coherently integrate onshore and offshore exposures* while navigating permitted channels within compliance and ethics.

Capability 3: Behavioral Governance—Guardrails, Tactical Sleeves, and Coaching

Policy and sentiment cues frequently influence decisions, and outcomes are often perceived as non-negative, creating a reinforcement loop strengthened by confidence. Advisers cannot simply address this issue with generic "don't be emotional" messages. They need governance that respects reinforcement while still protecting long-term outcomes. A practical model is a *core–satellite framework:* keep a long-term core anchored in risk–return discipline and confine tactical investments to a sleeve with explicit limits and review triggers. This approach converts high-stakes decisions into a disciplined process and reduces the risk of misalignment with long-term objectives.

Introduction

This section sets the foundation for the China study. It first revisits our global study on young investors as a baseline and then situates China within its distinctive private wealth and market context.

Global Study Recap

The CFA Institute report "Next-Gen Investors: A Guide for Wealth Managers and Financial Advisers" (Munson and Hayman 2026) surveyed more than 2,400 mass affluent (MA), high-net-worth (HNW), and very-high-net-worth (VHNW) investors across six global wealth markets.[2] The authors found that wealthy Gen Z and millennial investors are highly engaged with their investments, digitally fluent, and values driven, with expectations and aspirations that differ from older cohorts. Advice demand remains strong: More than 90% of those surveyed use some form of advice or planning,

[2]The markets surveyed were the United States, Canada, the United Kingdom, Singapore, India, and the United Arab Emirates.

spanning human advisers, workplace plan support, and robo-advice. Importantly, robo-advice is often used alongside human advice rather than as a direct substitute, with many younger investors combining channels as their needs become more complex.

The same study (Munson and Hayman 2026) also found that trust remains central, but its basis is shifting toward "functional" markers—data security, demonstrable competence, credible credentials, and transparency in conflicts of interest—alongside expectations for responsive, tech-enabled communication. Product posture is also broader: Young investors show greater openness to newer or more specialized assets and to personalized solutions, while values alignment is increasingly mainstream. Meanwhile, decision-making is more multi-sourced relative to older generations. Human advisers remain the most trusted guide, but social and digital inputs increasingly shape how young investors learn and act.

Behaviorally, high engagement can coexist with vulnerabilities such as fear of missing out (FOMO) and impulsive trades, reinforcing the adviser's value as a behavioral coach who maintains goal-based discipline through market cycles. Taken together, the global findings establish a baseline: Next-generation advice is hybrid, and trust is increasingly anchored in measurable competence and data security. Successful firms will be those that can scale personalization while preserving governance and trust—using technology to tailor insights and communications while human advisers apply judgment, ethics, and market context.

The next question is how these patterns translate in China—an essential test case where the wealth opportunity is significant and the operating context differs meaningfully from the markets studied by Munson and Hayman (2026). We have therefore extended our study with measured localization to clarify where China converges with or diverges from global dynamics.[3]

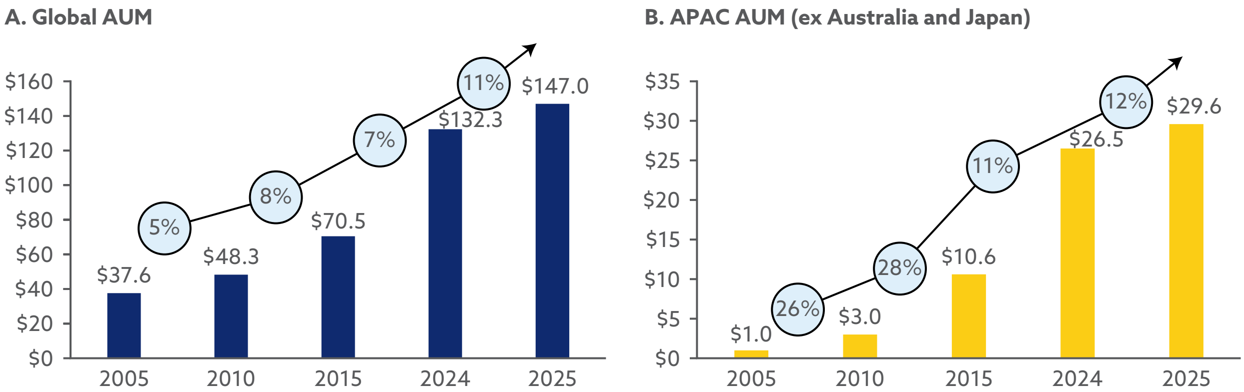
China Private Wealth Ecosystem and Market Context

From 2004 to 2024, private financial assets in China increased fivefold, more than in any other geographic market globally (Allianz Research 2025). **Exhibit 1** shows that across Asia-Pacific excluding Australia and Japan (of which China accounts for the largest share), private wealth assets under management (AUM) were projected to reach USD29.6 trillion by 2025, more than one-fifth of the world total (Boston Consulting Group 2026). According to Strategy&/PwC, China is also home to more than 6 million HNW+ investors, second only to the United States.[4] Despite cyclical volatility and macro headwinds, the sector is expected to continue growing, supported by regulatory evolution, digital innovation, and rising demand for diversified investments (Wackerbeck and Legrenzi 2023).

[3]Throughout this report, "we" refers to CFA Institute.

[4]HNW+ investors are defined as the combination of both high-net-worth (HNW) and very-high-net-worth (VHNW) investors.

Exhibit 1. Global and APAC (ex Australia and Japan) Private Wealth Market Size/Growth, 2005–2025 (USD trillions)



Note: Percentages in the circles represent the annualized growth during the period between the years shown on the x-axis.

Source: Boston Consulting Group (2026).

China’s private wealth system also differs structurally from mature Western markets because large-scale personal wealth accumulation is relatively recent in China. The Chinese modern wealth market emerged primarily after the reforms and opening-up period of the late 1970s and accelerated through trade-led growth after World Trade Organization accession in 2001, producing a predominantly “new money” HNW base concentrated in Tier 1/coastal regions and sectors such as real estate, technology, and export manufacturing (China Merchants Bank and Bain & Company 2023). As first-generation HNW investors approach retirement, China is entering its first major wave of intergenerational wealth transfer, with estimates of approximately USD14.1 trillion (CNY98 trillion) expected to transfer over the coming decades among HNW+ families (Hurun Research Institute and Yi Tsai 2023).

Since the 2021 property crisis and the post-COVID-19 pandemic period, macroeconomic conditions have shifted, and the private wealth market has adjusted accordingly. Key trends include (1) a more “safety-first” posture among investors, with elevated cash/near-cash allocations relative to regional peers (GlobalData 2025); (2) reassessment of real estate as a cornerstone of portfolio assets amid persistent price and investment weakness (Rogoff and Yang 2024); (3) continued push for offshore diversification via Hong Kong SAR and Singapore despite capital controls (McKinsey & Company 2024); and (4) deepening digital integration so that platform ecosystems support portfolio tracking and “always-on” client engagement (Curry 2026).

In addition, China’s equity market is widely characterized as policy-salient, retail driven, and digitally amplified.[5] The literature documents short investment horizons, herding, short attention cycles, and a trade-off between stabilization interventions and price informativeness (Tan, Zhang, and Zhang 2024).

[5]See Appendix A for a detailed literature review of Chinese retail investors’ behavior.

It also highlights heterogeneity within retail investor participation, with smaller accounts exhibiting more behavioral bias and larger accounts being more fundamentals driven. Together, these dynamics imply that an average retail investor portrait can be misleading, thereby motivating our focus on young, affluent investors as a distinct segment whose behaviors may differ systematically from the broader retail investor base.

Building on this literature, our China study tests these mechanisms in the young, affluent segment and provides evidence on (1) trust formation and adviser selection, (2) China's digital information ecosystem, (3) portfolio posture and aspiration, (4) mainstream offshore allocation and preservation motivations, (5) policy- and sentiment-driven behavioral influences and perceived outcomes, and (6) segmentation patterns that concentrate among subgroups.

To summarize, this study aims to investigate the latest dynamics of China's private wealth industry and to reveal timely insights from the perspective of young, affluent investors, who will soon be key decision makers in the capital market for many decades. The study provides actionable implications for various stakeholders in the value chain—wealth managers, product providers, associations and educators, digital platforms, and others in the private wealth management industry—enabling professionals to proactively prepare for business transformation as the intergenerational wealth transfer unfolds.

China Young Investors Study Results

This section presents our study results. It begins with a brief note on methodology and comparison groups then moves into the core analysis of the young Chinese investor cohort through a six-stage journey from goals to behavior.

Methodology in Brief

The survey conducted in simplified Chinese collected n = 400 completions from Chinese Mainland investors. Eligibility was defined using personal investable assets (excluding primary home value), with local thresholds for MA (CNY1 million to <CNY6 million), HNW (CNY6 million to <CNY35 million), and VHNW (≥CNY35 million).[6] A strict age-quota design ensured robust generational representation: Gen Z (18–28), n = 150; millennials (29–44), n = 150; Gen X (45–60), n = 50; and baby boomers (61–79), n = 50. Soft quotas were set to enable segmentation by wealth and context, including targets for HNW+ incidence, Tier 1 cities versus other regions, and international experience (see Appendix B: Methodology and Comparability for further details).

[6]The wealth thresholds specified are not intended to serve as definitions but rather as a basis for achieving a sufficiently large sample across different wealth strata. Terminology and classifications vary within and across wealth markets globally. The industry often uses "ultra high net worth" with higher thresholds (≥USD30 million). For consistency with the global study, and to support meaningful subgroup analysis in this sample, we use "VHNW" (≥CNY35 million) as the top tier in this report.

The Young Chinese Investor Cohort

The following analysis of our survey results concentrates on the young Chinese investor cohort of *n* = 300 (150 Gen Z; 150 millennials) across all wealth levels of MA, HNW, and VHNW. The results for the combined young investor cohort are compared with the older Chinese cohort (*n* = 100, combining the Gen X and baby boomer samples) and the comparable global young investor cohort (*n* = 1,800) from our March 2026 study (Munson and Hayman 2026). We also identified and analyzed some significant subgroup discrepancies within the *n* = 300 young investor cohort.

Goals and Confidence → *What They Want*

To understand what young Chinese investors want from wealth management, we begin with their goals, confidence, and perceived capability. Together, these indicators show not only what these investors are aiming for but also how prepared they feel they are to achieve it.

Financial Goals: Wealth Accumulation and Preservation

The top financial goals among Gen Z and millennial Chinese investors are similar to those of their global counterparts. Wealth accumulation (74%) and wealth preservation (61%) are the top priorities, followed by travel, saving for education, saving for unexpected expenses, and saving for retirement. **Exhibit 2** illustrates these findings.

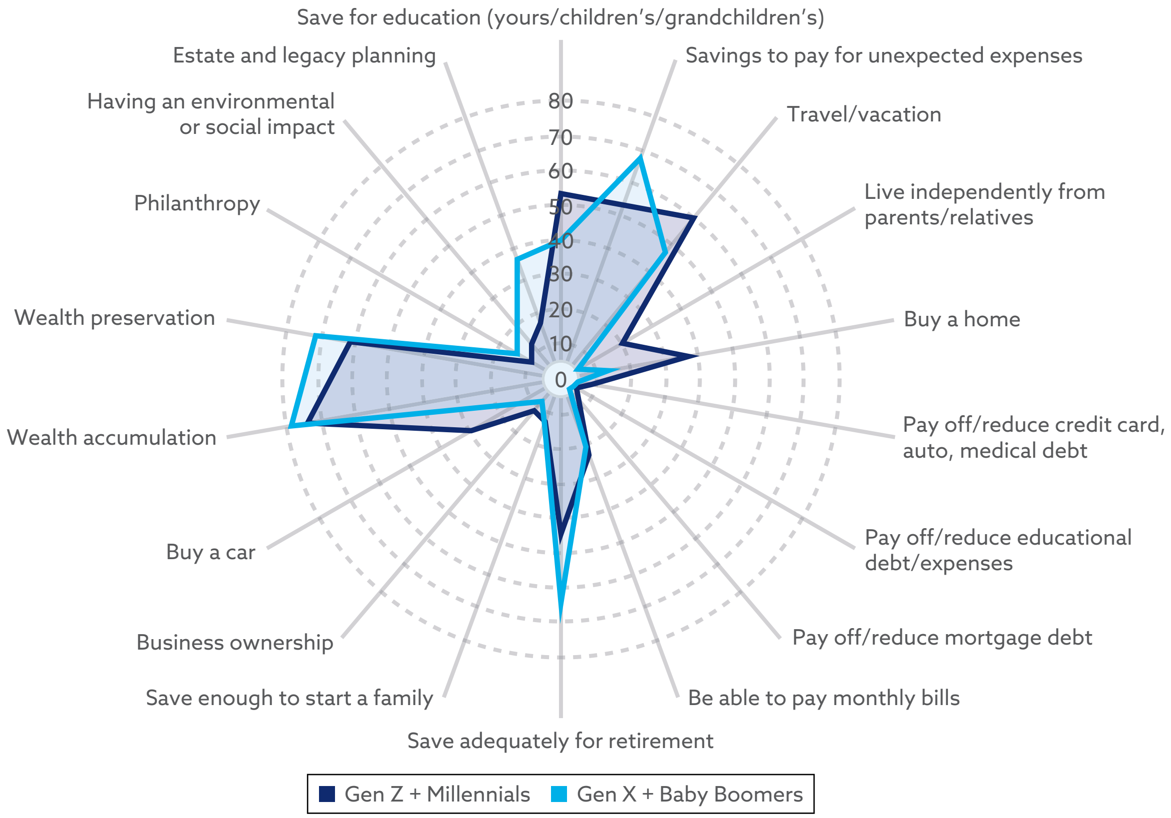
Travel/vacation, the top goal for global investors from our earlier study, ranks only third among the Chinese respondents, potentially implying a predisposition toward saving and investing rather than current consumption.

Additionally, subgroup comparisons reveal that HNW+ individuals are more likely to cite business ownership as a goal, whereas investors with a large (CNY6 million or more) expected inheritance are more likely to cite estate planning and less likely to cite saving for retirement as priorities. It is worth noting that investors' stated goals may evolve as their life stages progress, and advisers often surface deeper financial and psychological objectives through long-term engagement.

Financial Confidence: High Overall, but Fewer "Extremely Confident" Responses than Global

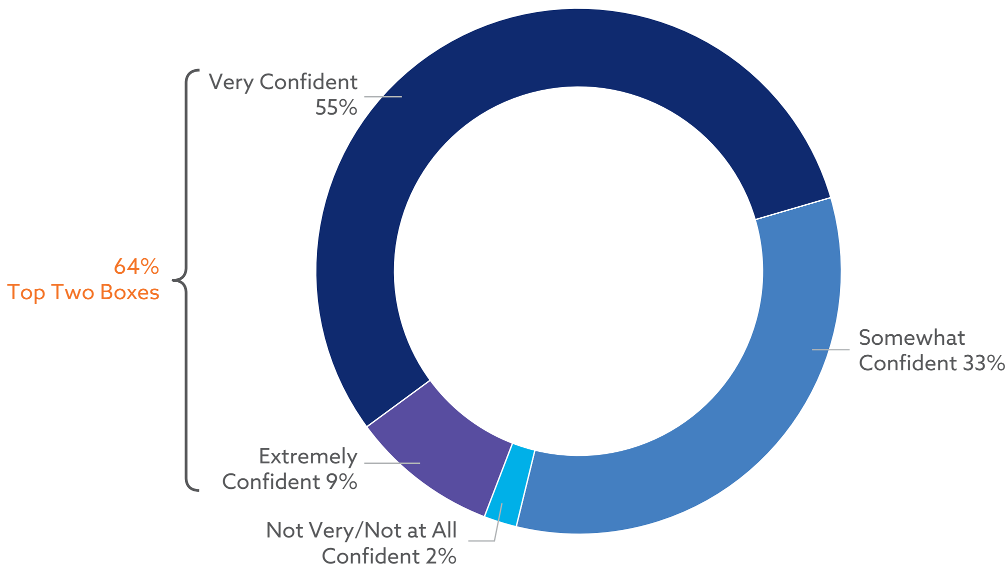
Regarding Chinese Gen Z and millennial investors' confidence in achieving their financial goals, 64% reported being very or extremely confident, whereas only 2% reported not very/not at all confident (see **Exhibit 3**). Given these investors' high starting level of wealth and young age, confidence is unsurprisingly prevalent. The proportion who reported they are extremely confident, however, is only 9%, one-third of the global rate of 27%. This much lower

Exhibit 2. Key Financial Goals, Younger vs. Older Chinese Investors



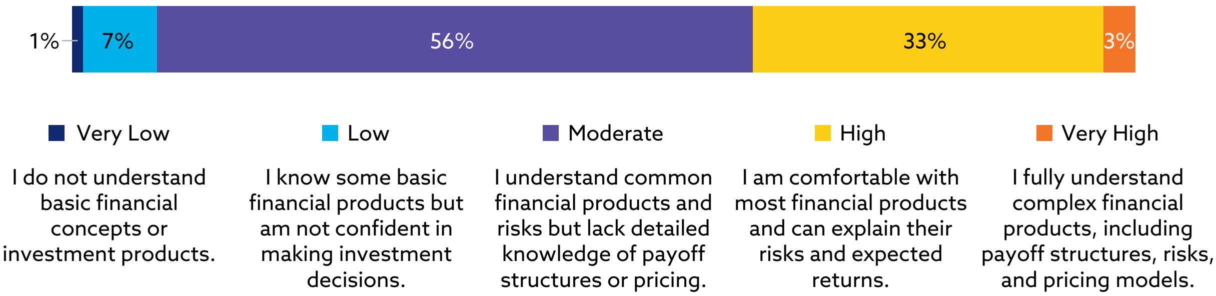
Note: Respondents were asked to select all options that apply.

Exhibit 3. Confidence in Reaching Financial Goals Among Young Chinese Investors



Note: Percentages do not sum to 100% because of rounding.

Exhibit 4. Self-Reported Level of Financial Literacy Among Young Chinese Investors

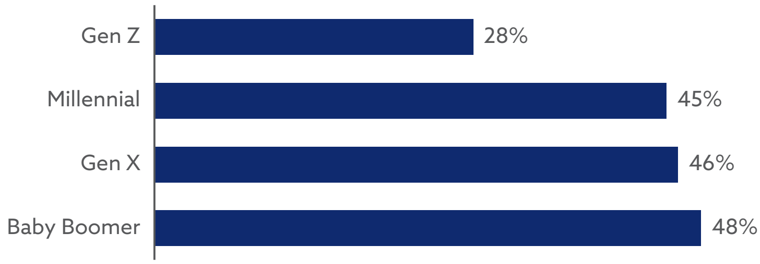


"extreme confidence" intensity suggests an opportunity for advisers to strengthen goal-based planning and to stress-test client assumptions. Moreover, the "resource-advantaged"[7] subgroups—those who are HNW+, those with an expected inheritance of CNY6 million or more, or those with high self-reported financial literacy—reported higher confidence than the other Chinese young investors

Financial Literacy: Mostly Moderate, with a Meaningful "Knowledge Gap"

We asked the young investor cohort to self-report their level of financial literacy (see **Exhibit 4**). The results show that 36% rated themselves as having high or very high financial literacy, and a majority (56%) rated themselves as having moderate literacy such as understanding common financial products and risks but lacking detailed knowledge of payoff structures or pricing. The percentage of individuals who self-reported high or very high literacy declined across generations, however. Notably, only 28% of Gen Z investors reported such literacy, compared with 45% of millennial investors (see **Exhibit 5**), indicating an educational gap that financial professionals should work to address with the

Exhibit 5. Investors in China Who Feel They Have High or Very High Financial Literacy, by Generation



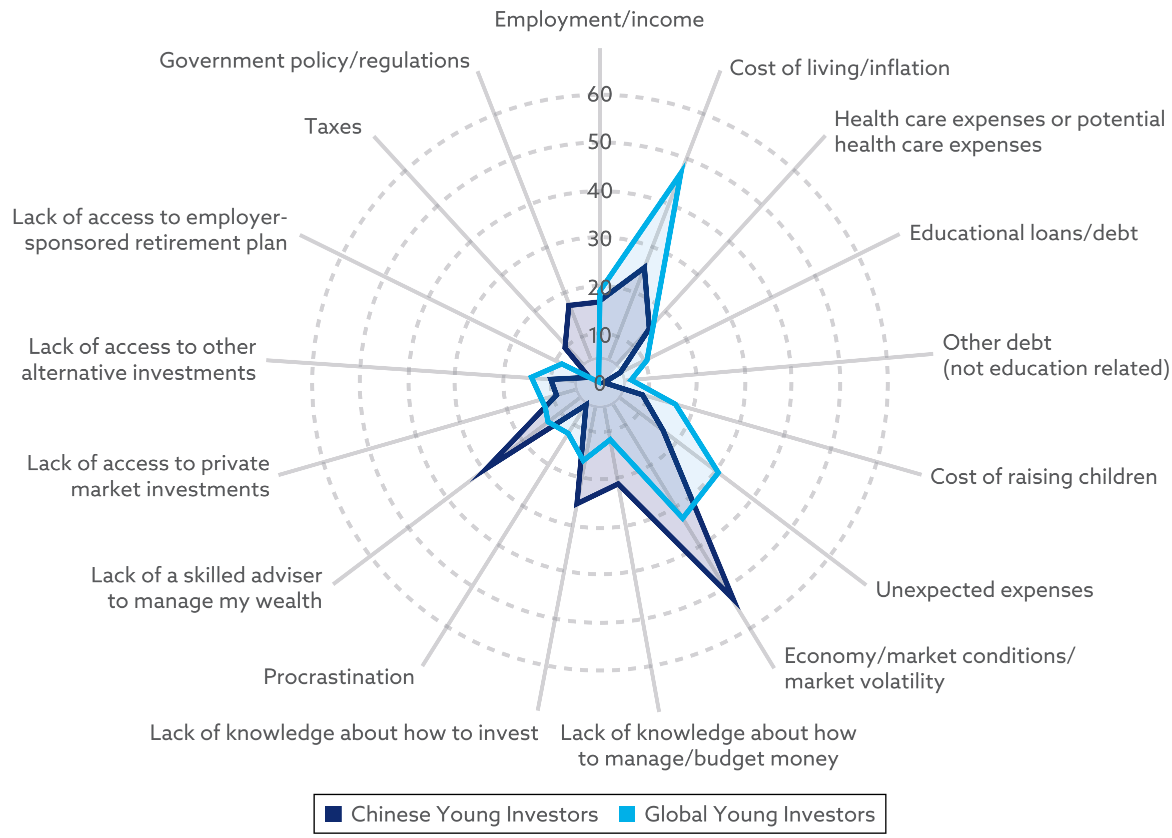
[7]Across several findings, a consistent "resource-advantaged" profile emerges of investors who are more affluent (HNW+) and who are more likely to expect an inheritance, live in Tier 1 cities, report higher financial literacy, use paid advice, and have international experience. We use this label as a convenient shorthand for this co-occurring set of traits when it appears in the results. It is an interpretive descriptor rather than a formal segment.

youngest client cohort. Moreover, respondents who reported high engagement with an adviser (weekly or more often) expressed a much greater level of high or very high financial literacy (45%) than those with less frequent adviser engagement (26%).

Key Challenges: Market Conditions and Advice Gaps

When asked about the top challenges in achieving their financial goals, young Chinese investors reported that their top challenge was economy/market conditions, selected by 53% in China (see **Exhibit 6**) compared with 33% globally. The top global challenge, the cost of living/inflation, was selected by 47% of respondents globally. In China, however, only 26% selected it, consistent with relatively low living costs and a deflationary Chinese economy. Moreover, among the top challenges, 29% of the Chinese young investor cohort selected lack of a skilled adviser and 25% selected lack

Exhibit 6. Top Challenges Among Young Investors in Achieving Financial Goals, China vs. Global



Note: Taxes and government policy/regulations were customized options for China; the data on these measures are unavailable for global comparison.

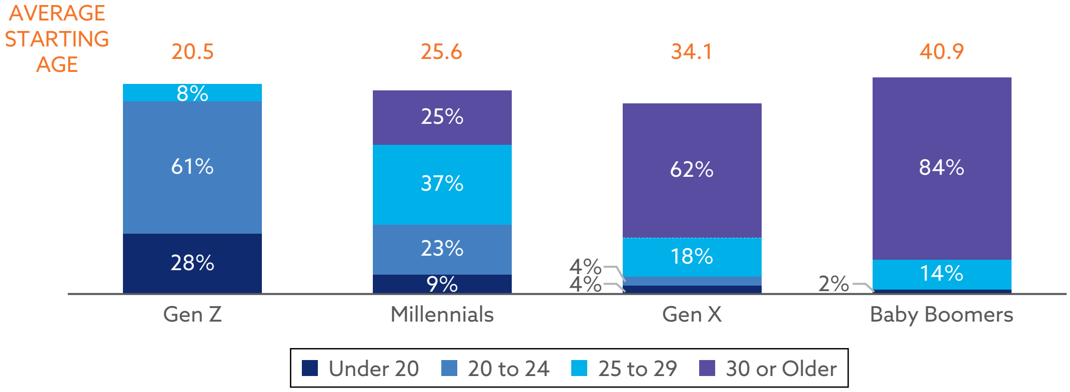
of knowledge about investing. Both results are higher than for their global counterparts, indicating a potential gap between young Chinese investors' financial goals and their capabilities to achieve those goals. Cross-generationally in China, younger investors are less concerned than older investors about government policies and regulations as obstacles to their goals.

Time Horizon: Earlier Investing and Ambitious "Financial Freedom" Targets

Another key aspect of examining long-term investing in China is when investors begin investing.[8] As shown in **Exhibit 7**, younger Chinese investors began investing at much younger ages than older Chinese investors did, with an average starting age of 20.5 among Gen Z and 25.6 among millennials, compared with 34.1 and 40.9 for Gen X and baby boomers, respectively. Chinese Gen X and baby boomers also began investing later, on average, than their global counterparts, reflecting the relatively recent modernization and opening up of China's capital markets. Taken together, these findings portray a younger generation that is financially engaged earlier in life, potentially enabling better opportunities for learning by doing and compounding returns over time.

In parallel, younger cohorts also express more ambitious timelines around reaching "financial freedom." Although such targets are inherently aspirational and likely to evolve with career trajectories and life events, the direction reinforces the signal from the start-age data: Younger Chinese investors are engaging earlier than older investors did, and they are thinking proactively about long-horizon outcomes. For wealth practitioners, the implication is to support more highly engaged younger clients with goal-based planning discipline and investor education as their portfolios and decision-making complexity grow over time.

Exhibit 7. Age When Investors in China Began Investing, by Generation



[8]Our sample includes only current investors, which may skew "age started investing" earlier than in the general population.

Market Optimism and "Fair Opportunity to Profit": Strong Belief, Policy-Salient Backdrop

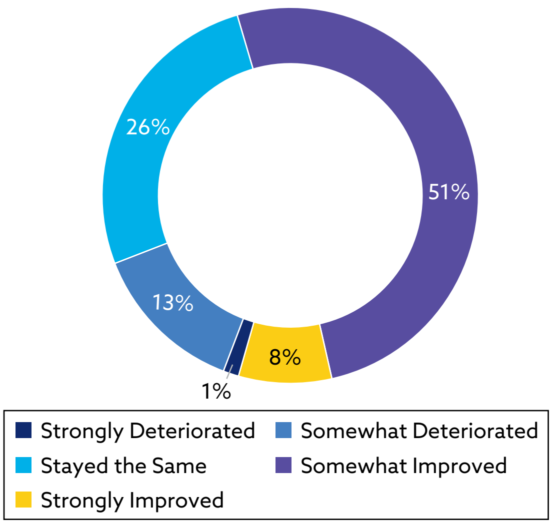
This ambitious investment horizon of the young cohort of Chinese investors aligns with their optimism about China's capital markets. When asked whether they believe there are fair opportunities to profit in the current markets, 22% of the young investors we surveyed strongly agree and 54% somewhat agree, reflecting general optimism among the young.

China's capital markets, however, especially the A-shares stock market, have been policy-salient and headline driven in recent years. For example, in 2025, the China Securities Regulatory Commission (CSRC) set out a market-stability agenda. Around the same time, Central Huijin, a state investment arm, scaled up purchases of broad-based exchange-traded funds (ETFs) with explicit liquidity backing from the People's Bank of China, a combination widely described as a "stabilization fund" approach. Subsequent official briefings detailed a coordinated package drawing in Huijin, the National Social Security Fund, insurers, state-owned enterprises, and company buybacks, which helped stabilize the equity market and backstop investor confidence. These patterns of state intervention in the stock market suggest a "policy-put" perception among young investors, which is most prevalent among higher-wealth and higher-literacy cohorts.

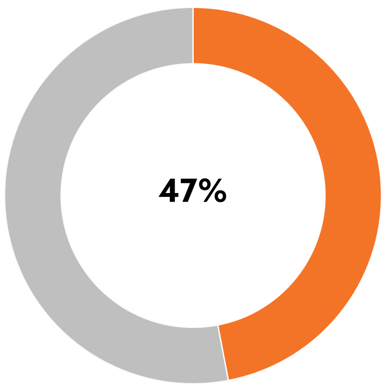
Therefore, we asked a follow-up question to gauge the perception of those shifts and state interventions—the change in young investors' expectations of opportunities to profit in the market at the end of 2025 compared with three to five years ago. As shown in **Exhibit 8**, 51% of the young Chinese investor

Exhibit 8. Market Optimism among Young Chinese Investors

A. Expectations of Opportunities to Profit from Investing vs. 3–5 Years Ago



B. Perceptions of Market Opportunity/Fairness ***Composite Score:***



Feel They Have a Fair Opportunity to Profit by Investing & Have an Improved Expectation of Their Opportunity to Profit cohort believe the ability to profit from investing has improved somewhat, and 8% believe it has improved strongly. Only 14% believe that market opportunity has deteriorated somewhat or strongly. Combined, nearly half (47%) of the young cohort reported having a fair opportunity to profit from investing, and this opportunity has improved over the past three to five years. Unsurprisingly, such optimism is more prevalent among the wealthier, more financially literate, and more financially confident investors.

Learning and Information Sources → *How They Learn*

In light of their long-term goals and uneven investing confidence and knowledge, our next question is practical: Where do young Chinese investors learn what to do—and whose guidance do they trust?

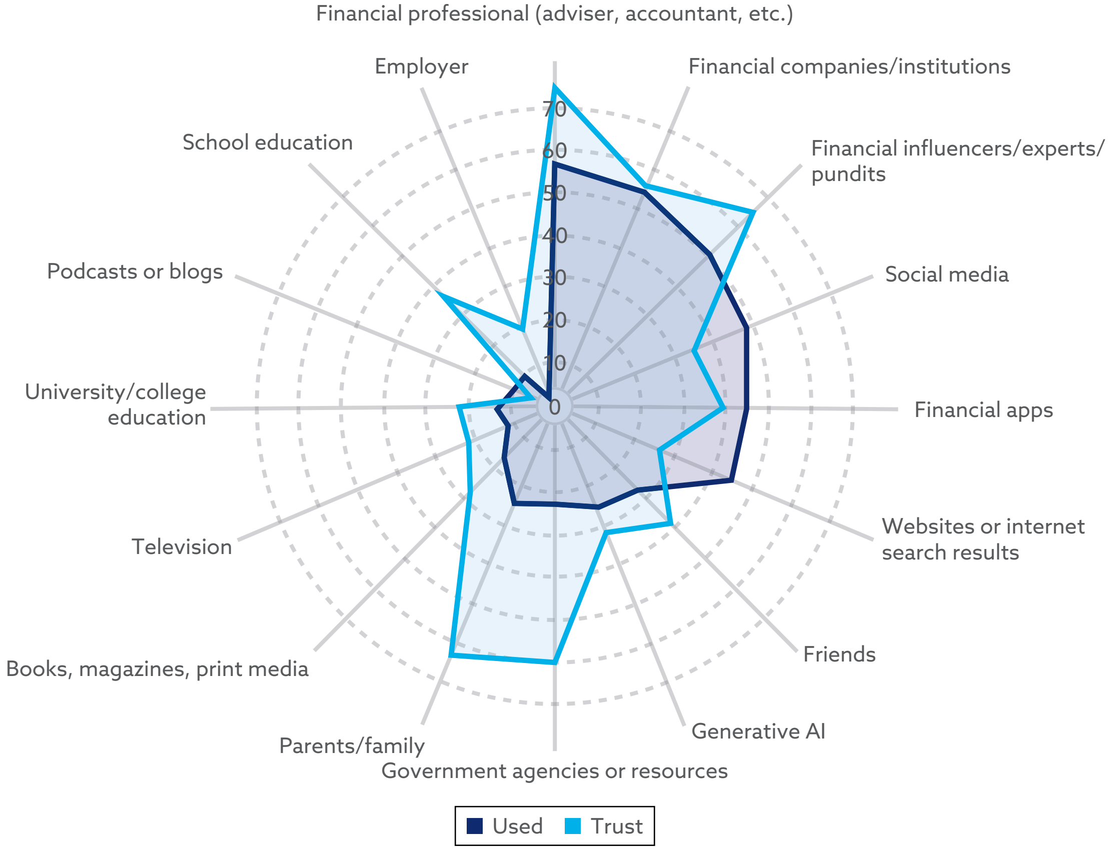
Information Sources: Financial Professionals Remain Dominant, with Emerging Popularity for "Finfluencers"

Financial professionals remain the information anchor. They are both the most used (57%) and the most widely trusted (76%) sources for financial topics, closely followed by financial companies (55% used; 56% trusted). **Exhibit 9** illustrates these findings, which align with the global pattern: Even in a decentralized information environment, human expertise and institutional credibility still sit at the center of trust. But China differs in the prominence of financial influencers. Finfluencers function as a mainstream channel—roughly half of young investors surveyed reported using them (51%), and they are trusted by a sizable share of this cohort (66%), levels that exceed the global results (36% used; 57% trusted). For the industry, this is a double-edged development: Finfluencers expand accessibility of financial knowledge and education, but they also heighten the need for clearer standards around qualifications, disclosure of conflicts of interest, and accountability to safeguard investor protection and market integrity.

In China, by contrast, "websites or internet search results" play a much weaker role in the area of trust. Although websites are moderately trusted globally (44%), they are among the least trusted sources in China (26%). The implication is not that digital information is absent but rather that young investors appear to place greater weight on sources perceived as socially or institutionally validated (e.g., professionals, firms, influencers) than on generic search-based discovery.

The preference to source information from financial professionals is even more pronounced among the "resource advantaged"—young higher-wealth investors, those with international experience, and those with higher self-reported financial literacy—suggesting that as one's financial circumstances become more complex, demand tends to concentrate on professional guidance rather than self-directed decision-making.

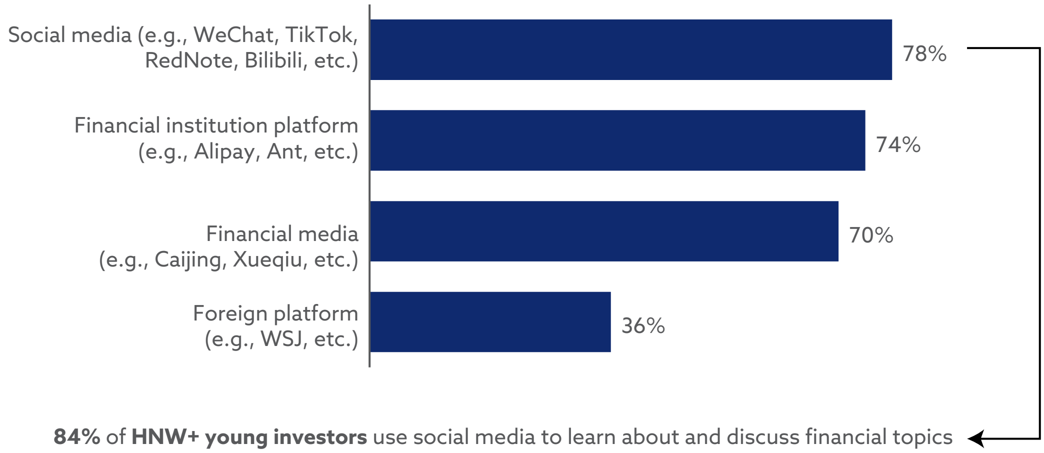
Exhibit 9. Information Sources Used vs. Trusted by Young Chinese Investors



Where They Learn Online: Social and Institutional Platforms Dominate

In light of the deeply entrenched digital ecosystem in China, most visibly through the likes of WeChat, we examined where young investors go online to learn about and discuss financial topics. As shown in **Exhibit 10**, the most frequently cited online destination is social media (78%), and this percentage is even higher among the young HNW+ subgroup (84%). Financial institution platforms (74%) and financial media sites (70%) are also widely used. Learning and discussion are therefore distributed across social, institutional, and media ecosystems, with social media as the most visible entry point.

Exhibit 10. Preferred Online Sources for Financial Topics Among Young Chinese Investors



Note: Respondents were instructed to select all responses that apply.

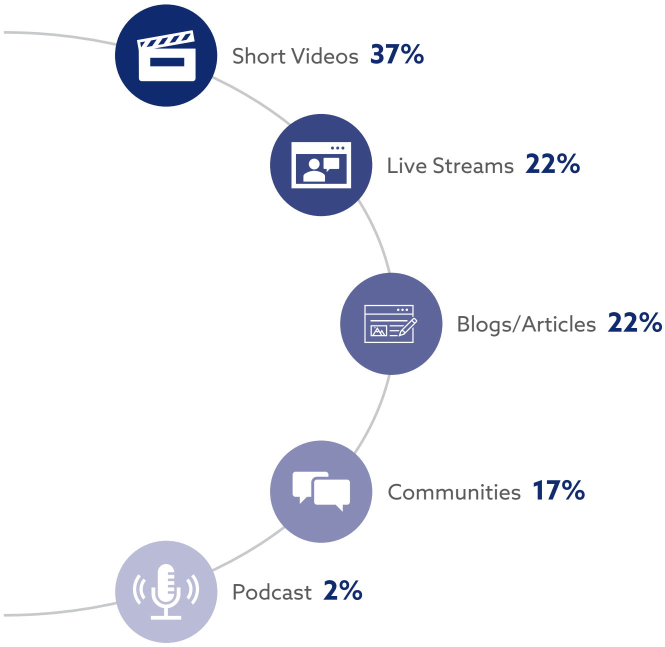
For financial institutions and private wealth professionals, the implication is straightforward: Credibility is built where young investors already spend attention. That kind of credibility requires an "always-on" presence in social media and platform channels, supported by institutional-grade guardrails and compliant disclosure. The goal is not to compete with influencers on clicks but rather to win on trust, clarity, and consistency at the moments when investors form beliefs and prepare to act.

Preferred Advice Format: Short Videos

Within these digital ecosystems, young Chinese investors show a clear preference for short videos (see **Exhibit 11**). Podcasts rank lowest (2%), indicating a preference for visually appealing content.

The message for wealth managers is to build a digital-native education and engagement strategy: Use short videos for high-signal micro-explanations, livestreams, and articles for deeper dives and embed professional credibility and compliant disclosure so that content garners trust—not only attention.

Exhibit 11. Preferred Digital Formats for Receiving Financial Advice Among Young Chinese Investors



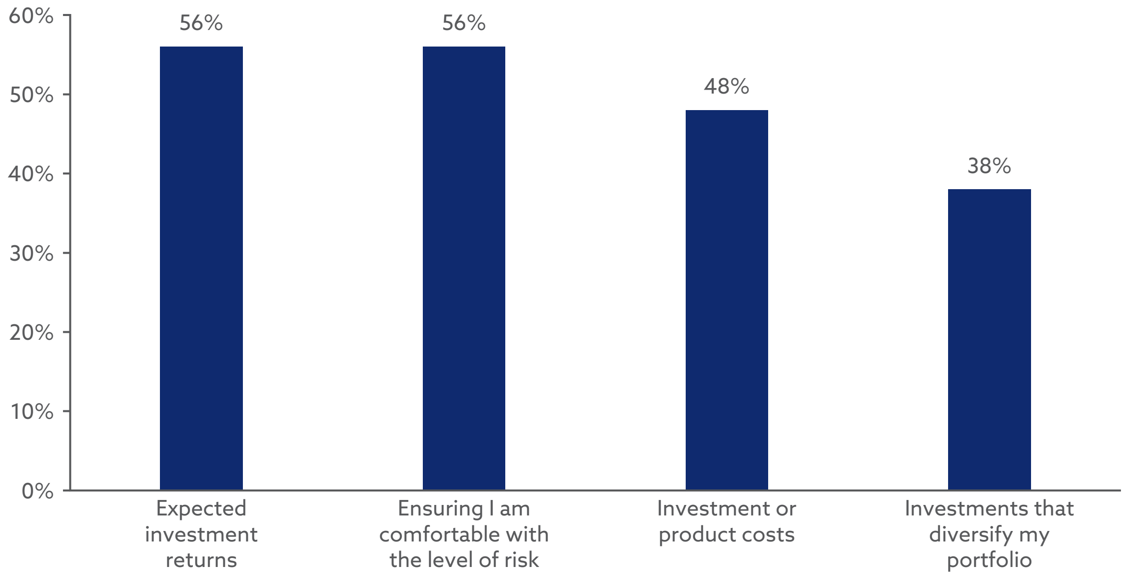
Decision Inputs and Values → *How They Decide*

Beyond knowing what sources young investors learn from, we must also examine how they consolidate, prioritize, and factor information into their financial decision-making.

Decision Inputs: Risk–Return Fundamentals First, Then Diversification and Costs

Young Chinese investors use a clear "risk–return–cost" decision-making framework. Expected investment returns and comfort with the level of risk are the two leading considerations in making investment decisions: 56% cited expected returns as important, and 56% cited comfort with risk as important (see **Exhibit 12**). Beyond return and risk, the next tier of priorities is still closely tied to portfolio outcomes and implementation quality. Diversification is important to 38% of young Chinese investors, while investment or product costs are important to 48%. Importantly, this order of prioritization aligns with global patterns among young investors, reinforcing that despite China's unique market structure, young investors' decision criteria remain anchored in the risk–return core of investing.

Exhibit 12. Key Considerations Among Young Chinese Investors When Making Investment Decisions



Note: Respondents were instructed to select all responses that apply.

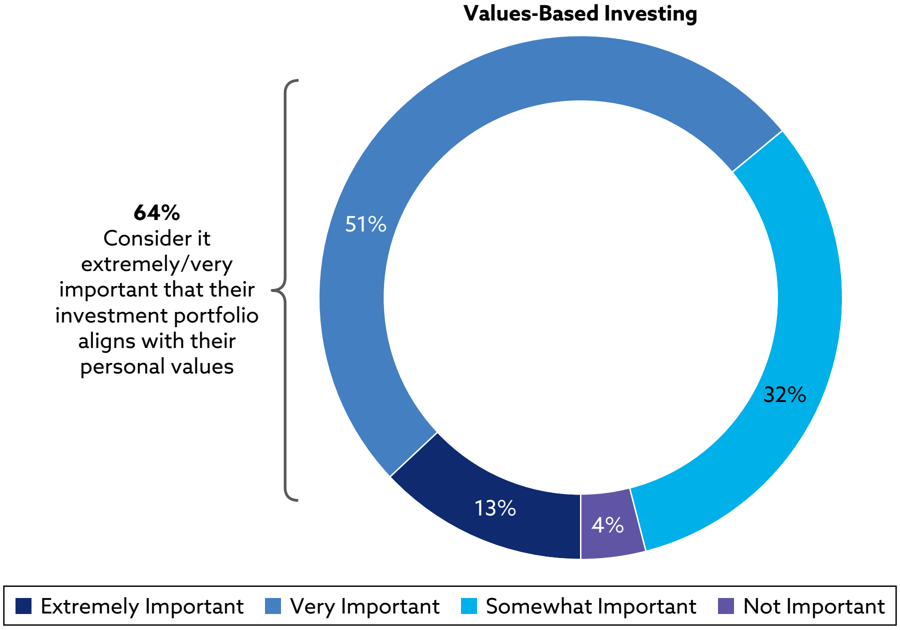
Implications for financial professionals and institutions are clear: The client-value proposition remains anchored in performance (return–risk–cost). Advisers who can clearly explain how recommendations relate to expected returns, their compatibility with client risk tolerance, the expected diversification benefits, and the costs associated with the recommendations—including in the context of liquidity preferences and cross-border exposures, where relevant—are best positioned to be perceived as delivering value for money.

Values Alignment

Values-based investing has become a prominent theme in wealth management. We tested whether it has meaningful traction among young investors in China.

As shown in **Exhibit 13**, values alignment is already mainstream and no longer niche. Nearly two-thirds (64%) of young Chinese investors surveyed said it is very or extremely important that their investment portfolio aligns with their personal values. Only 4% said it is "not important." This overall level of importance is close to the global benchmark, although the intensity differs: The share selecting "extremely important" is lower in China than in the global young investor cohort (13% vs. 27%).

Exhibit 13. Values-Based Investing Among Young Chinese Investors



Although values remain an important consideration, their exact definition is likely to differ among individuals and across socioeconomic contexts and markets.

Advisers will need to elicit clients' values-based investment priorities in their own terms, translating those priorities into investable expressions while keeping client portfolios anchored to core risk–return objectives.

Products and Portfolio Posture → *What They Hold*

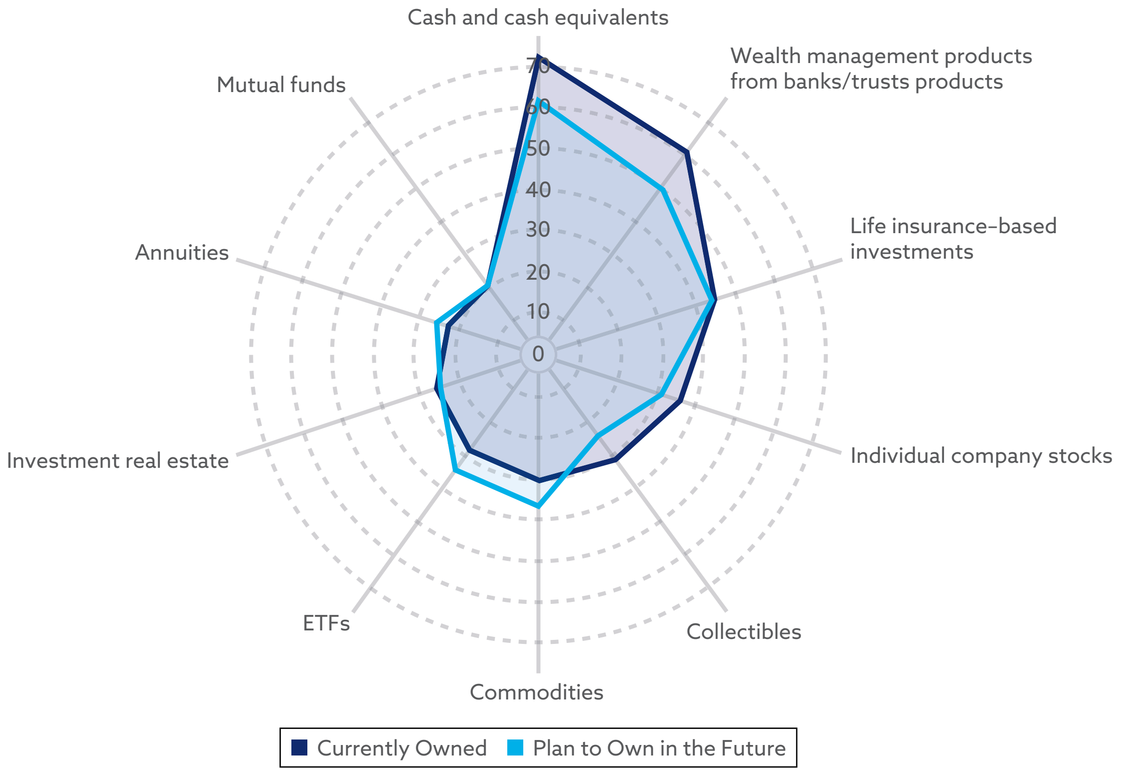
We examined young investors' product mix and portfolio posture to identify where advice can close the gap between aspirations and implementation.

Portfolio Reality: Liquidity and Bank/Trust Products Dominate

The product mix among young Chinese investors stands out as distinctly "China-specific" (see **Exhibit 14**). The two most commonly held investments are cash-like instruments and bank/trust products: 72% reported currently owning cash and cash equivalents, and 62% reported owning bank/trust wealth management products.[9] (Figures are percentage reporting ownership,

[9]Bank and trust wealth management products are issued by different institutions and sit within different regulatory parameters, although both operate within China's broader asset management framework. Since the introduction of asset management rules in 2018, the sector has been moving closer to NAV pricing and reporting practices and more-standardized investment exposures, with industry data showing a rising share of trust assets directed to the securities market.

Exhibit 14. Investment Ownership Among Young Chinese Investors



not portfolio weight, and respondents could select all that apply.) This combination suggests a portfolio posture strongly oriented toward liquidity, capital stability, and convenience through familiar banking channels, reflecting market norms and a more limited distribution architecture for equity-based and alternative investment products.

This pattern is notable considering the long-term ambitions of young investors highlighted earlier. A high allocation to cash-like instruments and bank/trust wealth management products can be a rational, conservative response to market uncertainty and risk sensitivity, but it can also imply a potential implementation gap: Investors may aspire to early financial freedom (as previously noted) while relying on products that are easier to understand, easier to access, and perceived as safer—yet may not be designed to deliver long-term growth. This is precisely where financial professionals can add value by translating long-term goals into a disciplined financial plan, clarifying the role of liquidity products within a diversified portfolio, and designing a portfolio structure that aligns the time horizon with the expected return sources.

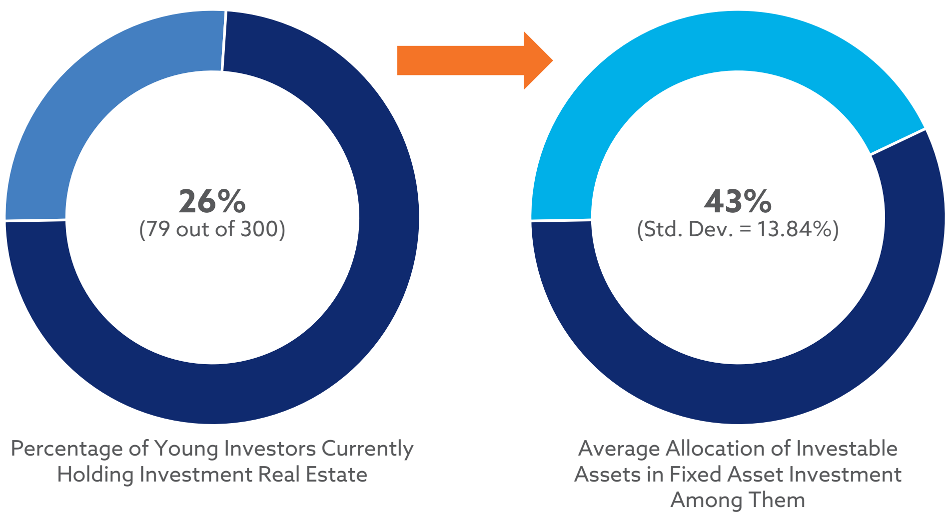
Compared with global young investors, the contrast in the most-owned products is stark: Crypto (67%) and mutual funds (64%) are the leading holdings across the markets in our 2026 global study, whereas crypto is not even available onshore in China. The China mix, therefore, reflects both structural constraints and a different default pathway into investing, one that begins with bank products and only later broadens into products with higher risk–return profiles. It is also notable that the proportion of wealthy young Chinese investors owning investment real estate (26%) is below the global average of 38%. Although, as we discuss in the next section, those who do own such assets often allocate a relatively high percentage of their portfolios to them. Lastly, commodities are widely held (30% currently own; 36% plan to own) among young Chinese investors, consistent with this asset type's cultural familiarity and perceived defensive role as an asset class.

Fixed-Asset Investments

Among the young cohort surveyed, 26% responded that they currently hold real estate for investment purposes (excluding owner-occupied housing). Among these 26%, the average allocation to fixed-asset investments was 43% of their portfolios, with substantial dispersion (standard deviation = 13.84%). **Exhibit 15** illustrates these findings. The data suggest a highly dispersed posture toward fixed assets: Rather than a single "typical" allocation, the data are consistent with a subset of investors holding very large fixed-asset shares while others hold relatively little. Moreover, the form and valuation of these assets (e.g., housing in Tier 1 cities versus other regions) can differ materially, which might affect portfolio liquidity and concentration risk.

Inheritance appears to be a meaningful channel through which fixed assets persist on balance sheets: Among respondents who expect to receive an inheritance or have already received one (76% of the young investors surveyed),

Exhibit 15. Ownership and Allocation in Fixed Assets Among Young Chinese Investors



Note: Although investment real estate likely accounts for the majority of fixed asset investment, the latter category is broader than the former by definition.

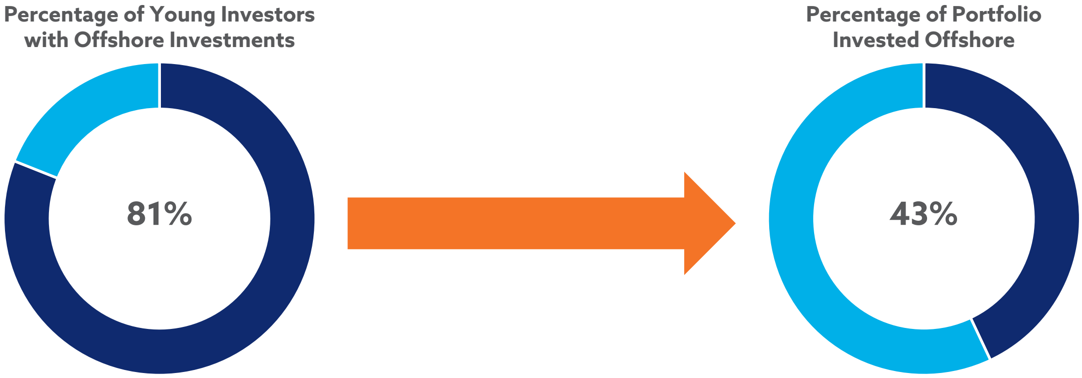
31% report that they currently hold investment real estate. In comparison, among the investors who do not expect to receive an inheritance, only 12% report holding investment real estate. This finding illustrates that property might be a key means of wealth transfer.

For wealth professionals, the practical implication is that advice must be balance-sheet aware—fixed-asset exposure affects liquidity planning, concentration risk, and the sizing of public-market risk. This underscores the value of guidance on China-specific property dynamics, valuation realism, and scenario planning.

Offshore Exposure

Another key aspect of portfolio allocation for young Chinese investors is onshore versus offshore assets. We asked respondents to estimate the percentage of their portfolio that is kept onshore, and we used the results to infer the proportion of portfolio assets held offshore. The offshore allocation is the focus of the following analysis. As shown in **Exhibit 16**, 81% of young

Exhibit 16. Offshore Allocations Among Young Chinese Investors



Subgroup Comparison within n = 300 Chinese Young Investors	Subgroups	% of Young Investors with Offshore Investments	% of Portfolio Invested Offshore
By Wealth Levels	HNW/VHNW	86%	43%
	Mass Affluent	79%	38%
By Location	Tier 1 City	85%	45%
	Non-Tier 1 Cities	77%	40%
By International Experience	With Int'l Experience	93%	45%
	Without Int'l Experience	52%	31%

Note: "With Int'l experience" refers to respondents who either studied, worked, lived, or have had business outside of the Chinese Mainland.

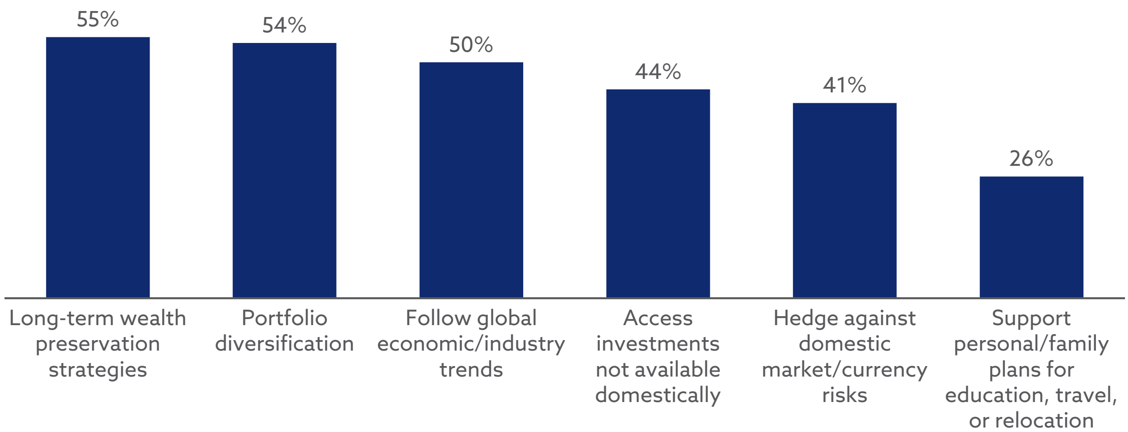
investors report having at least some offshore investments (i.e., these investors hold less than 100% of their assets onshore), and the average estimated percentage of their total portfolio held offshore is 43%. This finding suggests that offshore diversification is not a niche preference but rather an established feature of young investors' portfolio posture—especially notable given China's capital flow control.

Offshore exposure is most pronounced among "resource-advantaged" segments: HNW+ investors are more likely to hold offshore investments (86%) and allocated a higher share to offshore assets (43%) than mass-affluent investors. Investors in Tier 1 cities averaged a 45% allocation to offshore investments, while those with international experience allocated the most globally, with 93% reporting offshore investments and an average offshore share of 45% of their portfolios.

Cross-generationally, younger investors are more likely than older cohorts to have international experience, which supports comfort with offshore investing. Gen X differs, with only 56% reporting offshore exposure and an average offshore share of 20%.

Motivations for offshore investments are diverse among young Chinese investors (see **Exhibit 17**). They reported their top reasons for investing offshore as follows: long-term wealth preservation strategies (55%), portfolio diversification (54%), and following global economic/industry trends (50%). A second tier of motivations—access to investments not available domestically (44%) and hedging against domestic market/currency risks (41%)—reinforces the picture that offshore exposure is used not only for return-seeking but also as a risk management tool. Taken together, these findings show that offshore allocation is one of the clearest implementation choices linked to the young investor cohort's high prioritization of wealth preservation.

Exhibit 17. Motivations for Investing in Offshore Markets Among Young Chinese Investors



Note: Respondents could select all responses that apply.

For wealth professionals, offshore investing is no longer an optional capability. Advisers and firms need to treat offshore allocation as a core proposition for young, affluent investors, particularly for clients in Tier 1 cities and those with international experience. At the same time, offshore investing intersects with quota rules, product eligibility, and closed-loop remittance constraints.[10] Therefore, the real added value is not simply "access" but also building compliant pathways, setting realistic expectations, and integrating onshore and offshore exposures into a coherent long-term plan involving risk budgeting, liquidity, and currency considerations.

Lastly, interest in personalized solutions is meaningful among young Chinese investors, led by separately managed accounts/direct indexing (56% selected) and values-driven/impact investment approaches (54%). This appetite is concentrated in the resource-advantaged segment (HNW+, international experience, higher financial literacy, paid advice).

To summarize, the portfolio and product posture of young Chinese investors is liquidity-dominant and bank-/platform-intermediated, yet resource-advantaged investors increasingly demand cross-border diversification and customization. This demand implies that advisory expectations are shifting from product access to personalized portfolio solutions, governance, and cross-border capabilities.

Provider Engagement → *Whom They Select*

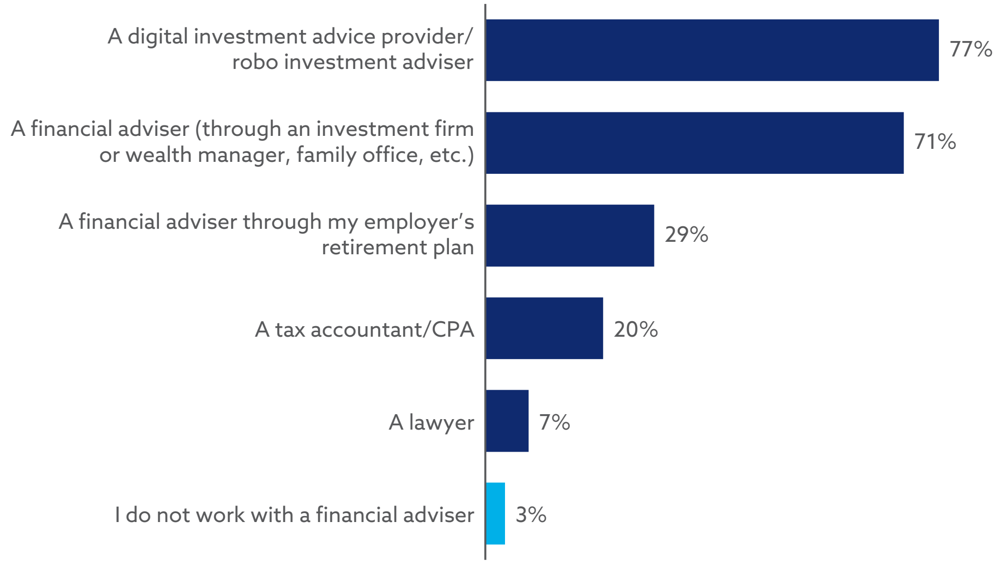
We next examine when young investors seek professional support, how they choose advisers, what sustains trust, and how they prefer to engage. Together, these patterns show what the next-generation advisory relationship in China looks like in practice.

Advice Use: Near-Universal and Hybrid; Many Perceive Advice as "Unpaid"

China's advice landscape is distinctly hybrid, as shown in **Exhibit 18**, combining both digital advice platforms (robo-advisers/digital providers) and human professionals. Indeed, financial advice usage is close to universal among young cohorts: Only a small minority (3%) report using none of the listed professional

[10]"Closed-loop" refers to cross-boundary investment schemes (e.g., Wealth Management Connect) where cross-border funds flow through designated remittance and investment accounts and proceeds are remitted back via the same route and are subject to quota management.

Exhibit 18. Types of Financial Professionals Used by Young Chinese Investors



Note: Respondents could select all responses that apply.

or platform-based services. These results emphasize that human judgment and relationship-based guidance still play a central role even in a high-tech ecosystem.

Although engagement is widespread, only about two-thirds of young Chinese users (65%) report that they believe they pay for the service (whether this belief is perception or reality). Regardless of the fee mechanism, this finding highlights that providers must continue to demonstrate value for money and differentiate their service proposition from no-fee investment platforms and execution-only services.

Within the young cohort, those with higher wealth, higher self-reported financial literacy, and a larger expected inheritance were more likely to use a financial adviser, consistent with the idea that as needs become more complex, demand for human advice rises.

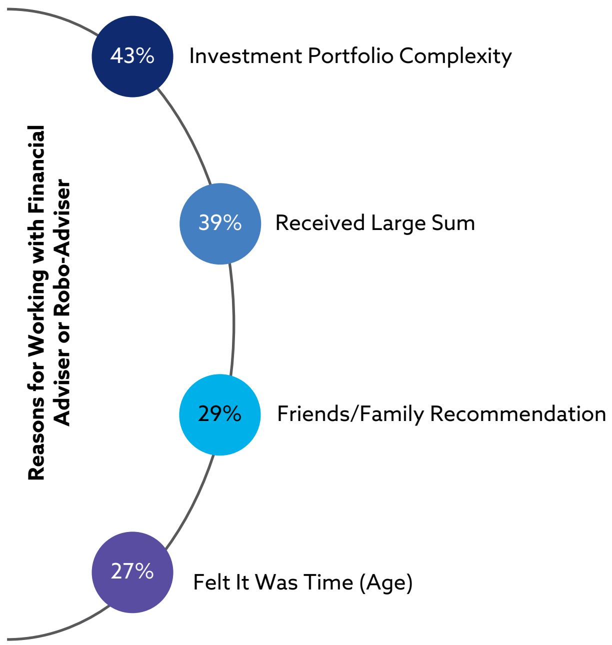
For private wealth providers, the implication of these findings is that advice is sought across multiple channels. Human advisers remain indispensable for goal framing, suitability, judgment under uncertainty, and ethical stewardship, while digital advice engines are valued for speed, consistency, and data processing. The winning model blends both—using automation to increase responsiveness and analytical depth while keeping human advisers accountable for recommendations, risk governance, and long-term discipline.

Engagement Triggers: Portfolio Complexity and Windfalls Prompt Advice Uptake

Among young Chinese investors, entry into advice relationships appears closely linked to "right-time" moments—especially when financial decisions become more complex or high-stakes. For the large majority who already use a financial professional or robo-service, the most commonly cited triggers are investment portfolio complexity (43%) and receiving a large sum of money (39%). **Exhibit 19** details the results. Taken together, these findings paint a coherent picture of young investors who often seek advice when they transition into a more independent life stage and their financial situation becomes harder to self-manage—whether because their portfolios have expanded, they have received a windfall, or their decisions now carry greater consequences.

Implications for wealth professionals are thus straightforward: Demand for advice among young Chinese investors often emerges naturally at identifiable inflection points. Firms that want to capture these clients should build strategies around (1) low-friction conversion (quick access, fast onboarding, clear value articulation) and (2) referral and social validation mechanisms that make it easy for satisfied clients and family members to recommend a trusted professional. In short, the "moment of need" is often unpredictable—what differentiates providers is their visibility, credibility, and readiness to act when that moment arrives.

Exhibit 19. Engagement Triggers for Young Chinese Investors



Selecting an Adviser: Knowledge and Credentials Rank Highest in China

In China, young investors select advisers on the basis of competence. Consistent with the global results, "knowledgeable" ranks as the top factor for selecting an adviser, cited by 46% of young Chinese investors (see **Exhibit 20**). What stands out in China, however, is the elevated importance of professional credentials: 40% of young Chinese investors include credentials among their top three selection factors, compared with 22% globally. This finding suggests that, beyond perceived competence, young Chinese investors place relatively high value on formal signals of qualification—a pattern that aligns with earlier findings that trust tends to be built through visible markers of professionalism. Additionally, young Chinese investors with international experience place greater value on professional credentials than those without international experience.

Beyond these top two drivers, the next five selection factors are broadly similar to global patterns. Taken together, the rankings imply a two-layer selection model among young investors in China: (1) a "license to operate" layer built on knowledge and credentials, followed by (2) an ethical and reliable performance layer that weighs ethics, results, and experience.

Exhibit 20. Financial Professional Selection Criteria Among Young Chinese Investors

Note: Respondents were instructed to select the top three factors.

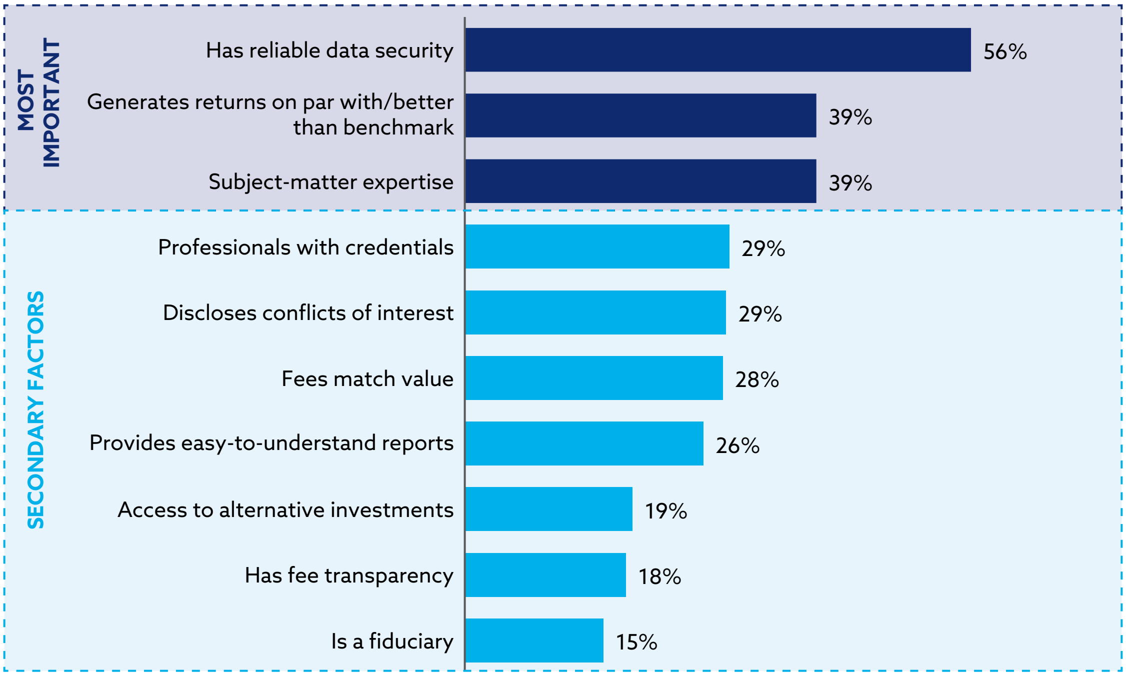
For providers, these results reinforce that adviser value in China is closely associated with demonstrable expertise and visible credentials as signals of knowledge, skills, and competence—not only relationship rapport. The salience of credentials signals market receptivity to locally relevant qualifications for private wealth practitioners, supported by high standards of ethics and professional conduct.

Trust Architecture: Anchors and Breakers

As shown in **Exhibit 21**, among young investors in China, the single most important trust driver for advisers is reliable data security (cited by 56%), far exceeding any other factor. The joint second most important factors for establishing trust are defined by fundamentals: generating returns on par with or better than a benchmark (39%) and subject matter expertise (39%). These findings indicate that trust is anchored in data security and competence.

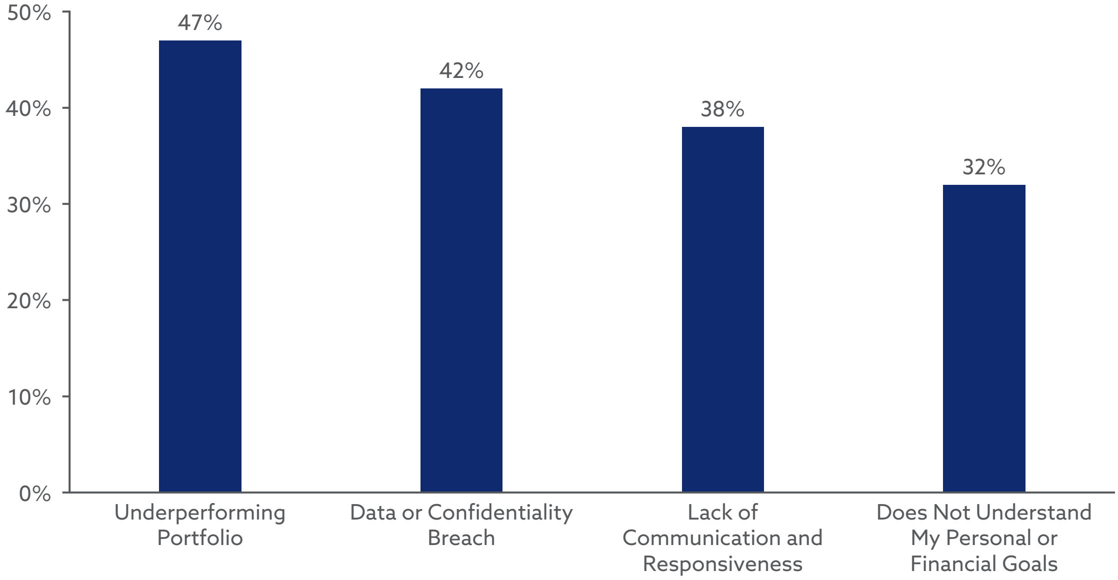
Notice that professional credentials still matter for establishing trust among young Chinese investors (cited by 29%) but rank below the core drivers, consistent with the idea that credentials function as a credibility entry point for advisory relationships rather than the primary determinant of ongoing trust.

Exhibit 21. Factors in Creating Trusted Relationships for Young Chinese Investors



Note: Respondents were instructed to select the top three factors.

Exhibit 22. Top Factors Among Young Chinese Investors for Switching Financial Advisers



Other relationship factors matter but remain secondary to data security and investment competence.

Relative to the global benchmark, data security is emphasized more among young Chinese investors (56% versus 37% globally), whereas fee transparency is emphasized less (18% versus 34% globally).

Exhibit 22 shows that triggers for young investors in China switching advisers mirror the same trust model: The top two triggers reported are an underperforming portfolio (47%) and a data/confidentiality breach (42%). A secondary execution layer—lack of communication/responsiveness (38%) and perceived lack of goal understanding (32%)—highlights that once baseline competence and security are established, retention depends on consistent relationship management and clear goal alignment.

Across both trust building and triggers for switching advisers, the message is consistent: Providers win by pairing institutional-grade security and disciplined portfolio delivery with high-cadence, client-specific communication.

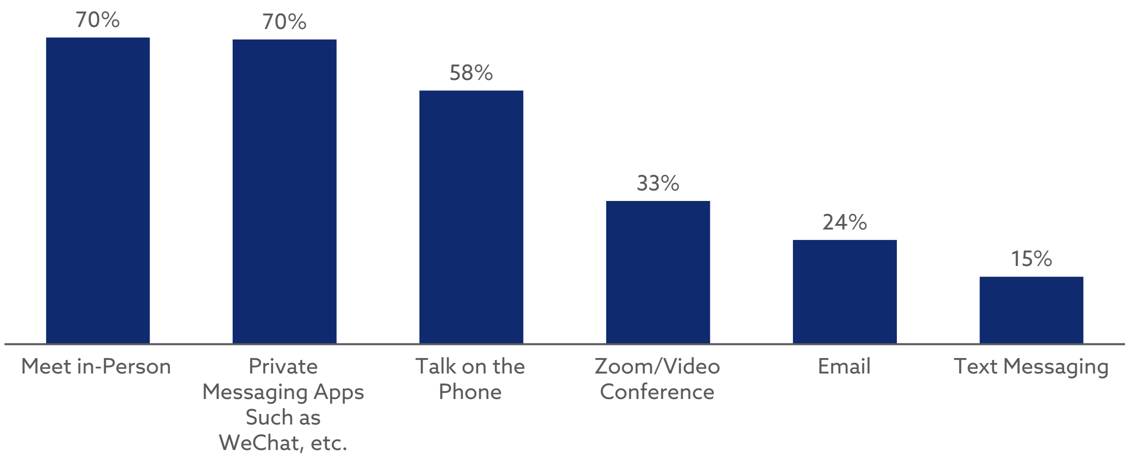
Engagement Model

Young Chinese investors' preferred engagement channels reflect a distinctly hybrid service expectation: They want the convenience of digital communication but still value high-touch interaction to establish trust and clarity. As shown in **Exhibit 23**, when we asked this cohort how they most prefer to engage with a financial adviser, two channels led clearly: in-person meetings (70%) and private messaging apps (70%), with the latter standing out as a major differentiator versus global peers (70% in China vs. 43% globally). In practical terms, private messaging—most notably, WeChat in China—functions as the default channel for fast, ongoing interaction. By extension, young investors in China have a much lower preference for email engagement with an adviser: 24%, compared with 51% globally.

We also examined how frequently young investors engage with advice services, splitting investors who receive advice into three mutually exclusive groups: financial professional only, robo-adviser only, and both. **Exhibit 24** reveals a preference for high-cadence communication, with most young investors selecting "weekly" as their preferred communication frequency. The largest segment—those using both human and digital advice channels (58% of all young investors surveyed)—reported the largest share (26%) that prefer to engage daily with their adviser/advisory service provider. The same group also reported the smallest share (8%) that prefer to engage quarterly or less frequently. These findings suggest that multi-channel advice is associated with high client engagement and a desire for more frequent touchpoints than is the case with single-channel advisory services.

Subgroup analysis reveals that engagement intensity is not uniform, however: Investors with international experience and higher self-reported financial literacy tended to engage more frequently than others, consistent with a more active, more complex portfolio posture and higher demand for ongoing guidance.

Exhibit 23. Preferred Ways to Engage with a Financial Adviser Among Young Chinese Investors

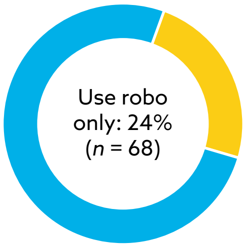


Note: Respondents were instructed to select all responses that apply.

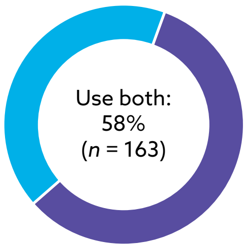
Exhibit 24. Engagement Cadence by Type of Advisory Service Among Young Chinese Investors

Frequency of Provider Engagement by Usage Type

Daily	Weekly	Monthly	Quarterly or Less Often
20%	42%	20%	16%



Daily	Weekly	Monthly	Quarterly or Less Often
12%	38%	28%	15%



Daily	Weekly	Monthly	Quarterly or Less Often
26%	39%	26%	8%

For providers, the operational takeaway is clear: Scalable high-touch engagement has become a competitive capability. Firms need a service model that supports frequent, low-friction interactions—often messaging-first and digitally enabled—while reserving adviser capacity for the highest-value moments such as goal framing, suitability decisions, portfolio governance, and behavioral coaching. In practice, the winning model is to combine **AI-enabled personalization with human judgment and empathy when it comes to both client communications and portfolio solutions**.

Behavior and Activity

In the final step on this journey, our study examines behavior: how young Chinese investors act when making investment decisions and which forces most often shape those actions. The focus is on the behavioral influences that drive decisions and on how investors perceive the outcomes that follow.

Behavioral Influences: Policy and Sentiment Drive Decisions; Perceived Outcomes Are Rarely Negative

The Chinese Mainland market is often characterized as retail-dominant, policy-salient, and prone to short-horizon trading, herding, and attention-driven price dynamics (Tan et al. 2024; Jones, Shi, Zhang, and Zhang 2023). Against this backdrop, we examined whether these widely discussed behavioral influences persist even among young, affluent investors—a cohort expected to have better access, greater resources, and potentially greater sophistication than the broader retail investor universe.

First, the frequency results show that these behavioral influences are widespread in the young cohort (see **Exhibit 25**). And a generational comparison shows that the older cohort is no less influenced by these factors than the young, further reinforcing the entrenchment of these five behavioral factors in Chinese investors' decision-making.

The most striking finding, however, concerns perceived outcomes. Among respondents who make investment decisions according to a given behavioral factor "often/sometimes," positive or mixed outcomes dominate. Policy-following is the clearest example of this reinforcement dynamic, combining the highest proportion that acted with the lowest proportion that perceived a negative outcome from the action.

Exhibit 25. Behavioral Factors and Perceptions Among Young Chinese Investors

% Making a Specific Investment Based on…

	1. Trust in Gov't Policies/ Market Support Measures		2. Market Sentiment and Momentum		3. Short-term Gains vs. Long-term Value	
	Often/ Sometimes	Occasionally/ Rarely	Often/ Sometimes	Occasionally/ Rarely	Often/ Sometimes	Occasionally/ Rarely
	58%	40%	56%	42%	50%	48%
Outcome Perceptions						
Positive	61%	47%	44%	29%	49%	38%
Mixed	37%	47%	49%	52%	44%	51%
Negative	2%	6%	7%	18%	7%	11%

	4. Actions of a Larger Group of Investors		5. Fear of Missing Out (FOMO)	
	Often/ Sometimes	Occasionally/ Rarely	Often/ Sometimes	Occasionally/ Rarely
	46%	51%	34%	60%
Outcome Perceptions				
Positive	41%	23%	44%	24%
Mixed	53%	58%	46%	64%
Negative	7%	19%	11%	12%

Top Investments Made Due to FOMO

- **Gold** **53%**
- Venture capital 38%
- Individual stocks 32%
- Real estate 28%
- Collectibles 27%

This pattern is best understood as a reinforcement loop: When a behavior is commonly used and rarely perceived as negative, it becomes easier to justify and repeat. Moreover, because outcomes are self-reported rather than audited performance, the results should be read as perceived reinforcement instead of verified alpha. Confidence and attribution biases may help sustain such perceptions (Chou, Li, Yin, and Zhao 2021), as we observe that confidence appears to amplify perceived reinforcement: More financially confident young investors are consistently more likely to report positive outcomes across all five behaviors.

A China-specific nuance emerges regarding FOMO. Gold was the top investment by young Chinese investors in response to FOMO (53%), echoing the prevalent preference for commodities that we observed when assessing product ownership, making it essential to manage such exposures by explicitly defining gold's role in the portfolio, setting concentration limits, and calibrating volatility expectations.

Taken together, the evidence alludes to two non-mutually exclusive explanations. The first is a psychological/measurement account: Because outcomes are self-perceived, reported positivity may reflect overconfidence, self-attribution, and selective recall, which can bias outcome assessments upward and sustain repetition. The second is a market-structure account: In a policy-salient and attention-sensitive market, policy-following and momentum-like behaviors may be intermittently rewarded, at least over certain time windows, which is sufficient to reinforce belief regardless of whether long-run risk-adjusted performance is reliably improved.

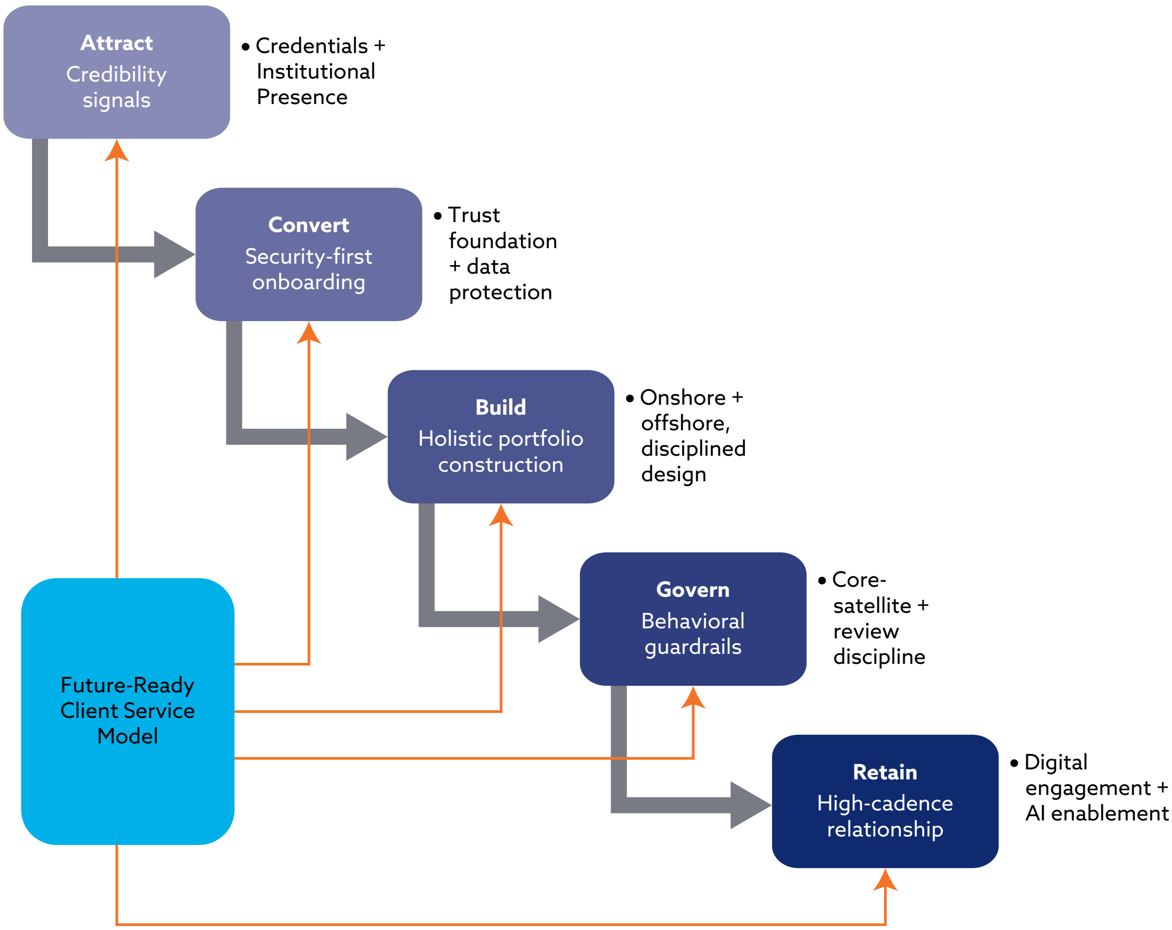
For wealth professionals, the implication is to manage the reinforcement loop with governance. A pragmatic model is to maintain a long-term portfolio core anchored in long-term capital market assumptions and strategic asset allocation, while containing any client preference for tactical decisions that materially deviate from strategic allocations in a controlled sleeve with explicit sizing limits and review triggers. Advisers can also introduce structured post-trade reflection to counter confidence-driven attribution. Finally, advisers should treat policy and sentiment signals as regime-dependent, preparing clients for reversal risk if the policy environment or investor attention cycle changes. Moreover, practitioners should be cautious about applying this dynamic universally across clients' offshore portfolios, where market structure and information signals may differ.

Conclusion: Implications and Opportunities for a Future-Ready Wealth Management Proposition

New-era wealth professionals in China create value by combining three things: (1) knowledge and skills, combining AI and human judgment; (2) fostering trust through high-cadence engagement and data security; and (3) establishing robust governance. They win clients through credentialed competence and institutional credibility, retain trust through data security and disciplined portfolio construction, and cater effectively and responsibly to digital-first, high-cadence communication preferences. They must be balance-sheet aware, accommodating offshore investment capabilities, and cognizant of behavioral influences and constraints that are specific to the local capital market environment. Advisers must be able to translate ambitious client goals into executable plans, integrate onshore and offshore exposures coherently, and apply guardrails that preserve long-horizon outcomes while respecting market realities.

As shown in **Exhibit 26**, to be "future ready" requires intentional operational redesign underpinned by AI enablement and strengthened organizational governance. Firms that embrace these opportunities stand ready to attract and retain the next generation of investors in China's burgeoning wealth management market.

Exhibit 26. Future-Ready Wealth Management Model



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APPENDIX A: BACKGROUND ON INVESTOR BEHAVIOR IN CHINA

The empirical evidence reviewed in this appendix comes primarily from China's onshore equity market.

Retail Dominance, Short Horizons, and Outcome Asymmetries

A defining feature of China's capital market is the dominance of retail trading, as evident in A-shares,[11] where around 80% of daily volume comes from retail investors; institutions account for less than 20% (see **Exhibit A1**) (Tan et al. 2024). Retail investors also have much shorter average holding periods (about 40 days) than institutions (about 109 days), based on Shanghai Stock Exchange account-level data (SAIF/SJTU 2022). Their frequent trading activities often lead to suboptimal outcomes, however. Over a 15-year period ending in 2021, the average annualized return for retail investors was 8.9%, less than half of the 16.7% achieved by actively managed equity funds (SAIF/SJTU 2022). At the same time, account-level studies reveal strong performance heterogeneity: Smaller accounts exhibit daily momentum trading, overconfidence, and gambling preferences,[12] whereas larger retail accounts are more likely to take contrarian positions, focus on fundamental information, and incorporate public news (Jones et al. 2023).

China's capital market structure, therefore, is generally perceived as retail driven, short-horizon oriented, and inefficient.

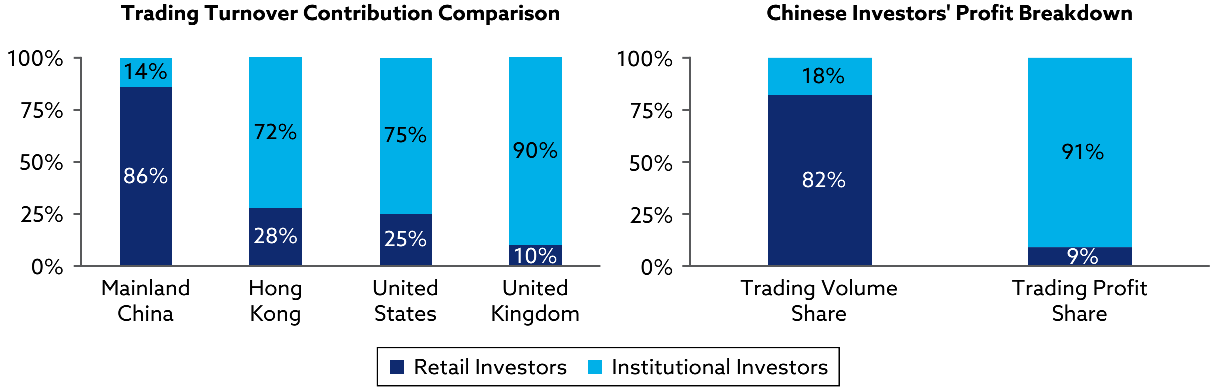
Herding and Social Transmission Mechanisms: Amplification by Digital Private Domains

Empirical tests with the cross-sectional absolute deviation framework document widespread herding, often stronger in falling markets, including on ChiNext (Ng, Zhuang, Toh, Ong, and Teh 2022). A quasi-experimental analysis using China Household Finance Survey panel data shows that WeChat group formation drives "chase-up/kill-down" behavior—raising participation in bull markets (+4.44 percentage points) and lowering it in bear markets (−1.06 percentage points)—with little evidence of a learning effect (Li 2023). Event-study evidence on WeChat Official Account stock recommendations shows positive abnormal returns and excess volume upon publication followed by rapid reversal, consistent with price pressure rather than information revelation. The effects are stronger in smaller firms, again highlighting investor attention and herding dynamics (Zhang and Liu 2021; Shen, Yu, and Zhang 2023).

[11]A-shares are ordinary shares of China-incorporated companies. They are intended for domestic investors, denominated in CNY, and traded on the Shanghai and Shenzhen exchanges. A-shares constitute the dominant share class and represent most of the onshore equity market's capitalization.

[12]Gambling preferences include the favoring of lottery-like stocks with high volatility and positively skewed payoff profiles.

Exhibit A1. Trading Turnover vs. Profit for Chinese Investors



Notes: The two panels use different measures of market activity. The left panel shows turnover share (monetary value traded). The right panel shows trading volume share (quantity of shares traded). Because turnover and volume capture different dimensions of trading activity, the retail percentages do not match exactly. Taken together, however, both panels point to the same directional conclusion: Retail investors account for the majority of market activity in China, although their share of trading profits is disproportionately low.

Source: South China Morning Post (2018).

Based on this evidence, China's private-domain digital channels such as WeChat, the dominant platform (along with TikTok and Xiaohongshu), can materially amplify herding and short-lived price pressures.

Confucian Values, Family Centricity, and Risk Participation

Multiple studies show that traditional family values and Confucian norms are negatively associated with household participation in risky financial assets and with the depth of risky asset holdings (Ye and Zhao 2025; Ge, Kong, Dadilabang, and Ho 2023).[13] Social trust can attenuate the negative relation between Confucian culture and risky asset holdings (Ge et al. 2023). These cultural lenses are widely cited to explain limited stock market participation, high savings rates, and an enduring "owning home equals safety" mentality among Chinese households.

Financial Literacy: Horizons, Diversification, and Behavior

China-focused studies and institutional reports show rising but uneven financial literacy, with higher scores associated with longer holding periods, greater diversification, and less speculative behavior (Jing 2025). Agent-based modeling calibrated to China's A-share market shows that improving individual investors' financial literacy can enhance market quality and investor performance while reducing inequality in outcomes. Nevertheless, speculative trading and irrational behaviors pose residual risks (Zhou, Xiong, Llacay, and Peffer 2023).

[13]Confucianism, the dominant system of social values in Chinese societies for millennia, emphasizes filial piety, hierarchical harmony, and collective stability over individual risk taking and adventurous endeavors.

APPENDIX B: METHODOLOGY AND COMPARABILITY

Design and Sample

This study of investors in China follows the CFA Institute Global Young Investors study framework and was conducted in collaboration with Zeldis Research (www.zeldisresearch.com/category/home-page). It uses a consistent questionnaire backbone to preserve cross-market comparability, with targeted China-specific additions where local market structure and investor context warranted. The survey captured n = 400 wealthy Chinese respondents in December 2025 (data delivery/cleaning was completed in January 2026). The main analysis focuses on young investors (Gen Z + millennials; n = 300), with comparisons to older Chinese cohorts (Gen X + baby boomers; n = 100) and the global six-market benchmark where measures are comparable.

Quotas (Targeted vs. Achieved)

Age quotas were strict and were met exactly. Wealth, Tier 1 region, and international experience were soft targets set to enable subgroup analysis rather than to represent population incidence. The sample achieved the Tier 1 targets and exceeded the soft target for HNW/VHNW incidence. International experience skewed higher than targeted, which is treated as an interpretive consideration when reading subgroup differences by international experience.

Questionnaire Backbone and China Localization

The core flow retained the global structure (Screening → Defining characteristics → Decision-making → Advice and access → Behaviors) and key scale anchors. China-specific additions focused on (1) domestic platform ecosystem and private-domain channels, (2) onshore/offshore allocation and motivations, (3) fixed-asset posture, and (4) China-salient behavioral influences (policy/sentiment/herding/FOMO) and perceived outcomes.

Data Quality and Comparability Guardrails

Multiple quality assurance checks were used to reduce low-quality responding (e.g., attention checks, speed/straight-lining checks, open-end review, duplicate/IP integrity checks, and bot-screening logic). Results are reported as weighted percentages, with unweighted bases shown; $n < 30$ subgroup columns are suppressed. Where significance is referenced, tests follow a standard $p < 0.05$ threshold. Cross-market comparisons are made against the global benchmark only where measures are comparable, and brief context notes are added where product availability, capital controls, or platform differences affect interpretation.

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