When Information Is Abundant, Judgment Becomes Scarce
AI, Trust and the Future of Private Wealth Management

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Distinguished guests, ladies and gentlemen, good morning.

It is a pleasure to join you today. The title of my remarks contains a proposition that I would like to put to you this morning. In a world where artificial intelligence (AI) increasingly commoditises information, the scarce asset is no longer information. It is judgment.

Think about what has traditionally made a successful private wealth manager. Access to information. The ability to analyse it. Experience in constructing portfolios. And, above all, the judgment to advise a client what to do.

AI is beginning to change that equation. Information that was once difficult to obtain is available instantly. Analysis that once took hours can be completed in seconds. AI can draft financial plans, analyse portfolios, prepare investment rationales, and automate significant parts of client servicing.

So let me pose a question to everyone in this room:

If everybody has access to powerful AI, where will your competitive advantage come from?

I do not believe the answer is simply better technology, which is available to everyone.

The real differentiation will come from how we use it: the questions we ask, the judgment we exercise and, ultimately, the trust we earn. And that is why I believe AI presents a fascinating paradox for wealth management.

The more capable machines become, the more valuable human judgment may become. Because clients do not come to wealth managers simply for information. They come to us because wealth involves choices.

Your clients may wonder: should I take more risk? Should I stay invested when markets fall? How should I pass wealth to my children? How should I think about succession, philanthropy and legacy? And how should I navigate a world where geopolitics, technology and markets are changing at the same time?

Note: This is the text of the speech as drafted, which may differ from the delivered version.

AI can help analyse these questions. It can generate scenarios. It can identify probabilities. It can even recommend answers. But there is one thing it cannot do. It cannot take responsibility for the consequences. That remains human.

And this distinction between prediction and judgment, between answers and responsibility, is becoming increasingly important not only for wealth managers, but also for us as regulators.

This is why I would argue that AI is not primarily a technology question. It is ultimately a governance question. Who exercises judgment? Who provides meaningful oversight? And who remains accountable when something goes wrong?

These are precisely some of the issues identified in the SFC's Large Firm AI Readiness Survey released earlier this week. Nearly all surveyed firms expect their use of AI to accelerate over the coming year, but firms also identified accountability, meaningful human oversight and external dependencies among the challenges that must be managed.

And the commercial implications are equally profound.

Earlier this year, when a small US fintech firm announced an AI-powered tax-planning feature, more than US$140 billion was wiped off the market value of several listed wealth managers. The market was not simply reacting to one new feature. It was confronting a much larger question: could AI change the economics of financial advice itself?

I believe it can. But here is the equally important point:

AI can change the economics of advice without changing the economics of trust. That distinction may ultimately determine which firms merely become more efficient, and which become more valuable.

From automation to transformation

For decades, wealth management has been constrained by human bandwidth. The number of clients served, portfolios reviewed and plans prepared depended substantially on the limited hours available to highly skilled professionals.

AI begins to remove that constraint. It enables firms to scale knowledge, automate routine processes and redeploy people towards higher-value activities.

But AI does not simply reward firms that buy technology. It rewards firms that redesign the way they work. The real challenge is not implementation. It is transformation. That requires investment not only in technology, but also in people.

AI fluency will become a basic professional capability. Wealth managers will need to know not simply how to use AI tools, but how to question their outputs, recognise their limitations and apply professional judgment.

The future wealth manager, I believe, will become a conductor of technology, allowing machines to do what machines do best, while concentrating human effort where human insight matters most.

Complex decision-making. Behavioural coaching. Succession planning. Inter-generational wealth transfer. And, most importantly, the building of trusted relationships.

As I often say: Functions may be delegated. Trust cannot. AI may assist judgment. But trust remains fundamentally human.

From information to insight, and from insight to alpha

There is another implication which is particularly relevant to today's Summit. We talk constantly about the search for alpha. Investor capital naturally gravitates towards areas that have performed well. That is understandable.

But superior long-term returns are rarely achieved simply by following consensus. They are often achieved by identifying opportunities that others have yet to recognise. In that sense, alpha frequently begins where consensus ends. That becomes even more interesting in the age of AI.

When everyone has access to powerful technology and abundant information, having more information itself becomes less differentiating. Competitive advantage will come from asking better questions. From interpreting the same information differently. From exercising better judgment. And sometimes, from having the conviction to look where others are not looking.

That brings me to Asia.

Hong Kong's opportunity in an age of abundance

We are living through an extraordinary period of technological and geopolitical change. Global investors understandably devote considerable attention to the US and Europe. But some of the most interesting long-term developments are also taking place here in Asia. And Hong Kong is exceptionally well positioned to capture them.

Today, Hong Kong is the world's largest cross-border wealth hub, with approximately US$2.9 trillion in assets under management. This position rests on our deep connectivity with Chinese Mainland, robust market infrastructure and a regulatory framework that seeks to balance innovation with integrity.

For wealth managers, the opportunity is becoming broader. Chinese Mainland already accounts for more than half of private wealth-management assets under management in Hong Kong, while enhanced connectivity can deepen those opportunities further.

Family offices are expanding and bringing sophisticated needs in investment, succession planning, governance and philanthropy.

Alternative investments are becoming more important in portfolio construction. Digital assets are emerging as another avenue for diversification within an appropriately regulated ecosystem. And next-generation clients are bringing very different expectations about technology, investment choices and how they interact with their advisers. AI and digitalisation are already the top client investment theme identified in the Private Wealth Management Association’s (PWMA) 2025 industry report. Boston Consulting Group projects Hong Kong's cross-border wealth to grow at around 9% annually through 2030. So the opportunities are considerable.

But precisely because information and technology are becoming more widely available, I believe Hong Kong should ask the same question that every wealth manager must ask: What is our differentiated advantage? Technology matters. Capital matters. Connectivity matters.

But there is another asset that has taken decades to build and is much harder to replicate. Trust. Trust in our markets. Trust in our institutions. Trust in our regulatory framework. And trust that Hong Kong will continue to connect capital and opportunity under a system that values integrity as much as innovation.

Technology gives us scale. Judgment gives us direction. Trust gives us confidence. And all three will be necessary if Hong Kong is to capture the opportunities ahead.

Conclusion

Let me conclude where I began. When information is abundant, judgment becomes scarce. That is not an argument against AI.

Quite the opposite. AI will improve efficiency, expand capacity and create opportunities that we are only beginning to understand. We should embrace it.

But the better AI becomes at producing answers, the more important for us to understand who asks the questions, who exercises judgment and who takes responsibility for the consequences.

Because private wealth management is ultimately not simply about managing assets. It is about managing people's confidence in decisions that affect their future. And confidence cannot be generated by an algorithm alone.

It has to be earned. By people who understand their clients. By people who exercise sound judgment. And by people who are willing to take responsibility for the advice they give.

For Hong Kong, therefore, our task is not to choose between technology and humanity. It is to bring the best of both together. To use AI to enhance our capabilities, while preserving the human judgment and trusted relationships that ultimately give those capabilities value.

That is how we turn abundant information into better judgment, better judgment into deeper trust, and deeper trust into enduring value.

The SFC stands ready to support that journey through balanced regulation, responsible innovation and continued partnership with the industry.

I wish you all a productive and successful Summit.

And may I wish you all a wonderful journey, both in Asia and in the opportunities that lie ahead.

Thank you.