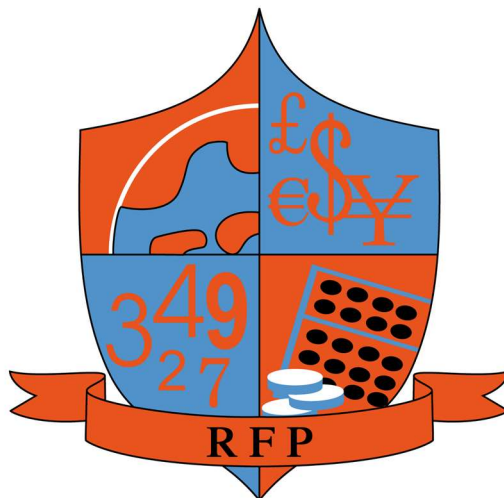


**“HONG KONG UNDERGRADUATE FINANCIAL PLANNERS OF THE
YEAR AWARD 2021”**

(香港傑出大學生財務策劃師比賽)



**註冊財務策劃師協會
Society of Registered Financial Planners**

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Case Study

Prepared by Mr. Simon Ho

Note: Your report must be written in English and no more than 15 single-sided, single-spaced pages (font size: 12-point Times New Roman), including cover pages, tables, charts, diagrams, references and appendices. Please submit the electronic file of your excel spreadsheets, if any, with your report.

Case Study 2021

Solving a Graduate's Career Puzzle

Aaron Li is a final year student at the Cosmo University of Hong Kong. As a student graduating next summer, he ought to determine his career road map and identify job opportunities that match his personal interests and life planning goals. Aaron is a Chemistry major, with a minor concentration in Computer Science. Many of his fellow classmates have started their job-hunting exercise and have been actively seeking opportunities in the education sector. However, he is not very keen to pursue a teaching career due to the aftermath of the political and social turmoil in 2019. He is interested in exploring the financial sector because Hong Kong is a regional financial centre and there is a wide selection of job opportunities in banking, insurance, investment and wealth management, etc. As a non-business major, he is very worried that he may not be able to qualify for an entry level position in the industry. Therefore, he has been researching extensively to identify prospective employers and has been attending every career talk organized by the placement office.

In a recent campus recruitment talk held by Creatwealth Financial Services Limited ("Creatwealth"), Aaron was impressed by the company's development and resources platform. He has been seriously considering applying for an entry level position in financial planning and wealth management services. The following is a brief introduction and background of Creatwealth.

Creatwealth is a Hong Kong based financial services group with offices in the Greater Bay Area ("GBA"). Since its establishment in 2010, Creatwealth has been actively expanding from a small financial advisor to become a diversified financial business service platform, especially in the FinTech and healthcare space. The company has a staff of 2,500, two third of which are focusing in the GBA market.

Creatwealth has invested significant resources to apply digital technology to open up cross border opportunities in the financial planning and wealth management business. The company has been able to take advantage of the pilot program under the "Wealth Management Connect (WMC)" [see Appendix 1] introduced by the HKSAR government and the Chinese regulatory authorities to launch an innovative FinTech platform called "WMC Platform". The WMC Platform is an all-in-one wealth management solution with a comprehensive range of financial products and service offerings. The financial products on the platform are approved under distribution agreements with financial institutions and wealth management professionals.

Creatwealth's WMC Platform has a unique feature with the use of state-of-the-art technology that differentiate itself from other competitors giving the company a competitive edge in the industry. The platform is capable of analyzing and comparing investment products from different sources on the

market. The company's financial planning team can leverage on its proprietary AI driven financial advisory model to combine data analysis with personalized services to offer superior investment products to clients. Moreover, through the collaboration with business partners including Koko Healthcare and HCS Insurance, the company offers personal healthcare and insurance products to satisfy the varying needs of its clients and help them achieve their goals across different life stages to strive for a beautiful future.

At the end of the recruitment talk, the company's HR Director presented their staffing policy and recruitment plan for 2022. Here is an extract from the presentation slides:

Our Passion

We are more than a group of co-workers; we see ourselves as family members. We employ a wide range of talents in multiple disciplines to equip them with the ability to think outside the box to provide creative financial planning solutions for clients. More importantly, you need to be passionate about what you do, and also the passion to serve.

Personal Growth

We invest in you and value work performance and achievements; we employ significant resources in talent development, enabling our professionals to unleash their full potential. Our success lies in perfecting personal goal congruence with the individual and that of the company.

Career Opportunities at Creatwealth

Our dedicated and experienced service team is our core asset. If you are looking to grow your career along with our vision driven team members, Creatwealth is an ideal partner to achieve your goals. Apply today with your personal profile and track record demonstrating your credentials in the financial planning industry.

If you are looking to join the financial planning industry but you have little or no relevant experience, we still would like to help you perform a deep dive into the role of a financial planner to evaluate your level of interest. Please contact our HR Department to express your interest either by email or social media channels.

Seeing the company's flexible recruitment strategy, Aaron was very happy and motivated. He said to himself that he might have identified the right job after graduation. During the Q&A session of the career talk, he raised the following question:

As a fresh graduate, I do not have any experience in the financial planning industry but I am passionate in joining your company. Although the company will consider applicants with no experience in the industry, how do I prepare myself and what kind of profile materials should I produce that will enhance my chance of winning an interview with the company?

The following is the response of the HR Director to Aaron's question:

The company understands the importance of recruiting young graduates to join the industry. You can consider joining the company's graduate trainee program so that you will receive training on product knowledge as well as customer relationship management. We will admit up to 15 graduates to the trainee program every year. The question is how you impress our HR colleagues so that you'll be selected for an interview. The following are the three documents that you should prepare to enhance your chances of being selected:

1. Your value-add

Assuming that Creatwealth is expanding its GBA business, what value-add can you bring to assist the company to gain new business opportunities. You should demonstrate your understanding of the latest development of the industry and the government policy initiatives, and how the company can benefit from the new policy.

2. Product knowledge

Although you do not possess the relevant working experience in the field, it doesn't mean that you have no access to knowing the different types of financial planning products. Please obtain a good knowledge of our products, and demonstrate that you know how to apply them in different real life situations. For example, you can study the data points of two families (see Appendix 2), and design the appropriate products to satisfy their financial goals?

3. Presentation skills

Presenting a good financial plan is a very important process in selling the financial planning products you designed for your clients. Therefore, you should demonstrate that you have mastered the communication skills to present the financial plan to your clients to win their business.

The HR Director invited all students to submit their application as follows:

1. A personal statement showing the value add you can bring to the table in terms of your role in Creatwealth's GBA expansion plan (no more than 1,000 words).
2. An analysis of the financial products you recommend to the two families using the information provided in Appendix 2.
3. Choose one example from Appendix 2 together with your product analysis, prepare a well written financial plan for presentation to your client.

Assuming you are Aaron's best friend, your job is to help Aaron submit his job application in accordance with the three requirements set out by the HR Director.

Notes:

1. Please use Hong Kong dollars in your analysis and translate all foreign currencies into Hong Kong dollars whenever appropriate.
2. Make your own assumptions on the risk profile, living expenses, travel expenditures, and life expectancy of your prospective clients.
3. Please state your assumptions in your analysis, such as economic growth, inflation, investment return, key product features, risk-free rate, tax rate, deposit rate and bank borrowing rate, etc.



HONG KONG MONETARY AUTHORITY
香港金融管理局

Appendix 1

Press Releases

29 Jun 2020

Joint Announcement of the People's Bank of China, the Hong Kong Monetary Authority, and the Monetary Authority of Macao on the Launch of the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area

To facilitate cross-boundary investment by individual residents in the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area), the People's Bank of China, the Hong Kong Monetary Authority, and the Monetary Authority of Macao have decided to implement the cross-boundary wealth management connect pilot scheme ("Wealth Management Connect" hereafter) in the Greater Bay Area. It is hereby announced that:

1. Wealth Management Connect refers to the arrangement under which individual residents in the Greater Bay Area carry out cross-boundary investment in wealth management products distributed by banks in the Greater Bay Area. The scheme has a southbound and a northbound components, depending on the residency of the investors. Under Southbound Wealth Management Connect, residents of the Mainland cities in the Greater Bay Area can invest in eligible investment products distributed by banks in Hong Kong and Macao by opening designated investment accounts with these banks; under Northbound Wealth Management Connect, residents of Hong Kong and Macao can invest in eligible wealth management products distributed by Mainland banks in the Greater Bay Area by opening designated investment accounts with these banks.
2. Wealth Management Connect is an important measure by the nation in support of the Greater Bay Area development and closer financial cooperation between the Mainland, and Hong Kong and Macao. It is conducive to the creation of a quality living environment within the Greater Bay Area. It facilitates cross-boundary investment by individual residents in the Greater Bay Area and promotes the opening-up of the Mainland's financial markets as well as the mutual social and economic development of the Mainland, and Hong Kong and Macao.
3. Wealth Management Connect will be governed by the respective laws and regulations on retail wealth management products applicable in the three places with due regard to international norms and practices. The People's Bank of China, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission, the State Administration of Foreign Exchange, the Hong Kong Monetary Authority, the Hong Kong Securities and Futures Commission, and the Monetary Authority of Macao will discuss and agree on the implementation details including investor eligibility, mode of investment, scope of eligible investment products, investor protection, handling of disputes, etc. under the Northbound and Southbound Wealth Management Connect. Cross-boundary remittance under the scheme will be conducted and managed in a closed-loop through the bundling of designated remittance and investment accounts to ensure that the relevant funds will only be used to invest in eligible investment products. Cross-boundary remittances will be carried out in renminbi, with currency conversion

conducted in the offshore markets. Cross-boundary fund flows under Northbound and Southbound Wealth Management Connect will be subject to aggregate and individual investor quota management. The aggregate quota will be adjusted through a macro-prudential coefficient.

4. Relevant regulators in the Mainland, Hong Kong and Macao will each take necessary measures to establish effective mechanisms under Wealth Management Connect to tackle, based on the principle of territorial administration, any illicit activities in a timely manner, with a view to protecting the interest of investors. Relevant regulators in the Mainland, Hong Kong and Macao will enter into memoranda of understanding on supervisory cooperation to establish robust supervisory cooperation arrangement and liaison mechanism in order to protect investors' interest and maintain orderly and fair trading.
5. The Mainland financial infrastructure institutions should actively take forward preparations for Wealth Management Connect in an orderly manner and with prudent risk management. The Wealth Management Connect pilot scheme will be formally launched once relevant rules and systems are in place.

The date of formal launch of Wealth Management Connect and implementation details will be separately specified.

29 June 2020

Key Facts of Family A

- A young couple recently married. Husband aged 28, wife aged 26
- Total family income from employment: \$75,000 per month
- No term life or medical insurance benefit from employment
- Live in rental property with a rental payment of \$22,000 per month
- Wife currently pregnant, expected delivery in March 2022
- Need to support wife's parent for their living expenses of \$8,000 per month
- Savings in banks \$700,000

Financial goals of Family A

- Identify an insurance product covering the well-being of the family
- A reasonable education budget for the child from pre-school to university education
- Buy a small property unit within a 5-year period
- Invest family savings to generate returns for future retirement in the UK

Key Facts of Family B

- A retired couple. Husband aged 58, wife aged 52, both in good health conditions
- No employment income
- A Pilipino maid has been serving the couple for 15 years
- Life insurance coverage \$2,000,000, premium all paid for
- No medical insurance coverage, depend entirely on public health care support
- Live in owned property, currently worth \$7,500,000, no mortgage loan
- All living expenses paid out of personal savings, current bank balance \$550,000
- The couple enjoys leisure travels, taking long haul and short trips almost every month
- No need to support any other family members

Financial goals of Family B

- Maintain the couple's current living standard until either husband or wife pass away, thereafter the surviving member will move to an elderly home
- Select a health care plan that satisfies the couple's future needs
- Manage current bank savings to protect them from future erosion
- Formulate an estate plan to pass along a decent gift to decedents after death