

REFOCUSING *RESILIENCE*

How family offices turn risk into long-term opportunity

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About the research

This report is based on the insights of family office leaders and other specialists in the field of family office resilience. It was researched and written by FT Longitude, the thought leadership division of the Financial Times, with support from DBS Private Bank, between April and June 2025. DBS Private Bank and FT Longitude would like to thank the following contributors for their time and insights:

Family offices

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Introduction

Asia's family offices are navigating challenging geopolitical, geoeconomic and technological landscapes.

First, on an investment level, the World Bank has warned that new trade barriers, policy disruption, geopolitical tension and extreme climate events are creating widespread economic uncertainty.¹ The result could be significant declines in trade and investment, leading to higher perceptions of risk in financial markets.

"The convergence of geopolitical tensions and potential shifts in US trade policies represents the most significantly underestimated risk to family offices," says Patrick Tsang, Chairman of Tsangs Group. "Increased restrictions, technology

export controls and changes to regulation could substantially impact supply chains and cross-border collaboration."

Second, as family offices embrace digital technology as both an investment opportunity and as a way for their organisations to operate more efficiently, executives are concerned about their vulnerability to cyberattacks and the reputational and financial consequences of a breach.

"Today's family offices are operating in a complex risk environment," notes James Owen, Global Head of Digital Risks at global specialist risk consultancy Control Risks. "They are financially attractive targets, not just because of their wealth but also due to the public

profiles and lifestyle choices of their founders, which can increase their exposure."

Against this backdrop, new research from DBS Private Bank finds family offices taking steps to become more resilient. As we discuss in this report, they are investigating new ideas and rebalancing their portfolios to safeguard family capital, maintain stability and mitigate risk. Encouragingly, many remain proactive and entrepreneurial. In particular, they are excited about the opportunities presented by artificial intelligence (AI) and other new technologies.

1. <https://openknowledge.worldbank.org/server/api/core/bitstreams/8912c157-f0e7-4d9e-b6f3-94ae0940e458/content>



SECTION 1

Succession: Reframing the north star

Building and protecting legacy is a family office's north star. To create a resilient family office that will thrive amid persistent volatility, family principals inevitably turn their attention to the next generation and the role they must play in upholding the family's values and economic interests.

On a practical level, this may mean taking steps as early as possible to engage family members in positions in the family office or business, to develop human capital and inculcate family values to ensure the next generation is equipped to succeed. Although some founders may be reluctant

to think about succession, especially when they are still integral to daily operations, doing so will help them share their wisdom ahead of time and unite the family office against adversity.

Earning a seat at the table

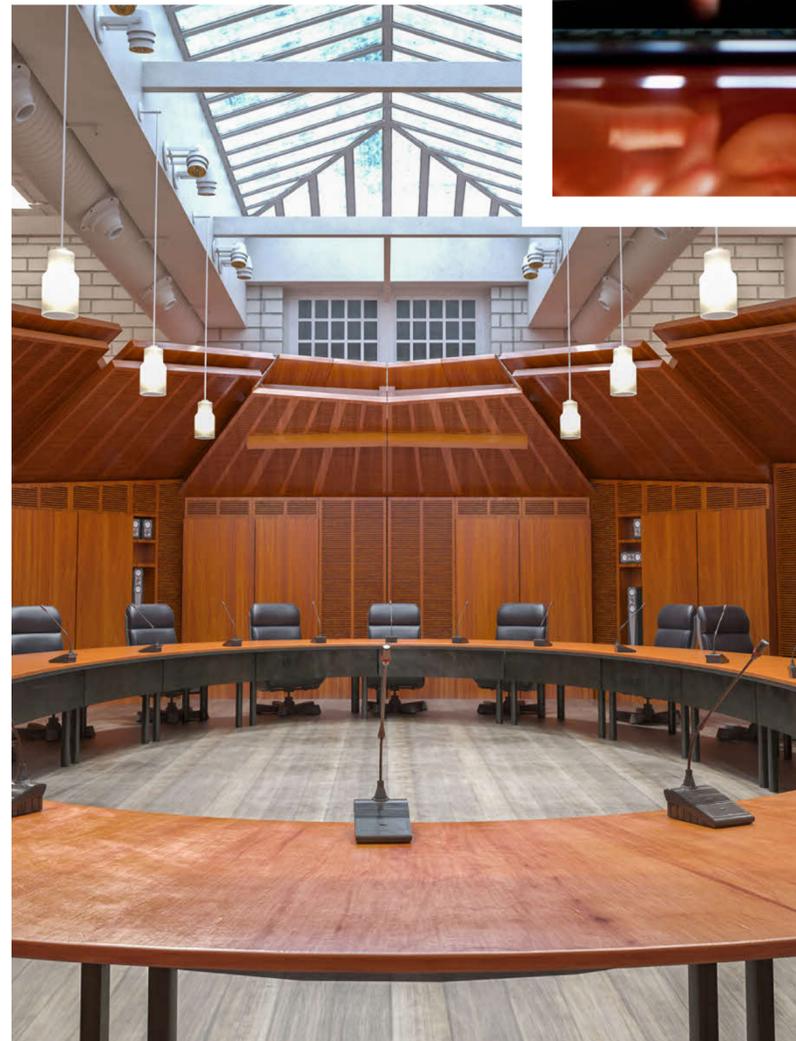
"If families endure for generations, it is because they are built on strong values," says Vishal Harishchandra, Founder and Chairman of the Valkin Group family office. "Others disappear because they get complacent. With our kids, we're setting up trusts and giving them enough to feel they can do anything – but not so much that they feel like doing nothing."

Harishchandra believes that families should strive to raise children who, despite the privileges they may have had in their lives, are nonetheless free from a sense of entitlement.

“That’s why we want our children to be involved in the family office or in our philanthropy,” he says. To illustrate his point, he says he admires Warren Buffett’s approach of giving each child a foundation and letting them pursue their goals without competing for capital.

Justin Craig, Professor of Family Enterprise at the Kellogg School of Management and Distinguished Professor of Family Enterprise at Tec de Monterrey in Mexico, argues that a role in the family office needs to be part of an individual talent development plan. It should be seen as part of a focused apprenticeship that exposes

the next generation to technical governance and commerce skills, as well as real-world experience.



“If you want to sit on the board, it needs to be because you’re capable, not because you’re the child of the founder. You need to contribute, to understand the numbers.”



Justin Craig

Professor of Family Enterprise, Kellogg School of Management, and Distinguished Professor of Family Enterprise, Tec de Monterrey in Mexico

"You've got to give rising family members real responsibility, starting with profit accountability and financial literacy," he says. "If you want to sit on the board, it needs to be because you're capable, not because you're the child of the founder. You need to contribute, to understand the numbers."

Structure and professionalism

The family business may have started as the project of one mind, but each generation dilutes the management structure. This makes it more challenging to achieve consensus.

"As the family grows through generations – cousins, kids, kids with their own kids – its needs get more complex," says Craig. He explains that bringing in additional family members

inevitably leads to greater scrutiny, as the family aspires to professionalism in how it manages its wealth and legacy and engages external advisors to support this endeavour.

"Suddenly, your children are sitting with people with backgrounds in equity markets, private banking and M&A, who expect serious, strategic conversations," he says. "The family evolves from simple to complex, and the decision-making, similarly, evolves from simple to sophisticated."

With this in mind, as family discussions move from the kitchen table to the boardroom, family offices need to establish a governance constitution that extols transparency and family values, provides clarity over how to transact business and issues guidance on wealth management, title transfer and succession.

Engaging the TikTok generation



The situation is complicated because today's ultra-high-net-worth (UHNW) children may be less excited about the traditional business than they are about other interests, such as developing a start-up that may become the next Google or TikTok. At worst, this can create tension if the founder is seeking to involve the younger generation as a way of building resilience.

"The next generation might look at the business and say, 'I just can't see myself running an industrial waste company,'" says Craig. "The reply should be, 'An operational role in our company is just one position. There are other ways to contribute meaningfully.'"

Craig explains that this contribution might mean sitting on philanthropic and ethical committees, helping reimagine the business model or supporting the shift into new investment vehicles. Investing in new ventures can have the benefit of engaging the next generation and ensuring these future leaders are committed to shaping the long-term growth of the family office.

"It's about encouraging people to take some outside risk," explains Harishchandra. "Once you're invested in a category, there's an inclination to learn more about it and to stay on top of what's going on."





SECTION 2

Financial risk: A shift in emphasis

The global economy is facing uncertainty and an intensification of downside risks.

As developments in the trade war continue to upset markets, family offices are rethinking their investment strategies to become more resilient.

“In turbulent times, it’s dangerous to think that your yacht, no matter how luxurious, can weather the storm,” cautions Chris Cottorone, President and Co-Chair, TriOrient Investments in Taiwan. “You need partners, including trusted securities houses, to support short-term trading. You need to understand the risks. Above all, you need to stay actively involved.”

Rebalancing horizons

In this environment, family offices are prioritising careful management and agility. Some are using pools of reserve capital to commit to patient investment strategies that prioritise long-term value creation over near-term liquidity.

“We’re going back to basics with fewer deals and more hands-on involvement,” says Tsang, Chairman of Tsangs Group family office. “The short term is just too fragile and volatile to make decisions. Long-term, we know more about what’s coming.”

Family offices can achieve an ‘illiquidity premium’ by committing capital over longer time horizons, with real estate being the most obvious target sector. Private equity (PE) is another favourite for patient capital. PE firms often value family offices as limited partners that can commit over four to five years or more, long enough to optimise a promising but underperforming entity.

For others, optionality is an important consideration within a broader risk management strategy. Cottorone explains how his family office’s strategy is oriented more towards wealth preservation than profit maximisation but that their approach centres on the availability of liquidity. “We focus on listed firms or firms that are committed to listing and don’t impose strict timelines for exits,” he says. “But we do set targets for gains.”

Diversification matters

Diversification is essential to resilience in changeable markets. At Valkin Group, Harishchandra explains that his family office invests in private credit for capital preservation but balances this with investments in specific areas where they have deep expertise, such as supply chain and fashion.

Tsang, meanwhile, says his family office is mitigating financial risk through geographical diversification combined with strategic positioning in three crucial sectors. The first of these is AI, which we explore in greater depth in the next section. The second is robotics, which he believes reduces dependency on global supply chains and labour markets. The third is biotechnology. “This has become critical for national security and healthcare sovereignty,” Tsang says.



“If you’re looking for capital growth, you want concentrated bets in equities where you have expertise.”



Vishal Harishchandra

Founder and Chairman,
The Valkin Group

SECTION 3

Entrepreneurial spirit: If nothing is certain, anything is possible

Being alert to risk does not mean giving up on everything that is bold and new. The new research reveals a durable appetite among some family principals for innovation and new value creation. Many are allotting a proportion of funds to emerging technology – whether in the form of venture capital (VC) and PE via the family office or in the launch and development of new business lines.

Most notably, the rapid rise and evolution of AI technologies has turbocharged a nascent market sector that is starting to reshape the entire economy.

“Over the next three to seven years, a lot of jobs are going to change; new economies and ecosystems will emerge,” says Harishchandra. “Preparation, learning and agility are key.”

AI takes centre stage

In recent years, demand for AI platforms has driven the extraordinary rise of companies such as OpenAI and DeepSeek, which help users perform cognitive tasks. The technology is also integral to the business models of organisations such as Singapore-based Speedoc, which enables the remote monitoring of and consultation with patients.

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Johnson Cheng
Founder, Voyager Capital

Tsang shares his enthusiasm for an AI-enabled healthcare app in which his family office is investing, and which is in line with Tsang's Group's entrepreneurial mindset and mission of investing in global technology opportunities. "It's a kind of 'health buddy' that learns from your habits and advises you," he explains. "It might say, 'You've had four glasses of wine – maybe stop now,' or even, 'You should take the day off.'"

Johnson Cheng, Founder of Voyager Capital, says his family office is also investing in AI. "We invested in a firm that uses AI to analyse legislation and policy developments across the globe," he says. "During Trump's first term, there were hundreds of China-related bills introduced in Congress – too many for anyone to read in full. The platform applies AI to assess each bill's likelihood of passing. It then provides

insights on how legislation might impact operations."

Adopting the mindset

To invest in AI and other innovations, family offices can use VC and other investment channels to achieve first-mover advantage. Nonetheless, putting money into high-potential, high-growth sectors will inevitably feel like a leap into the unknown.

At Valkin Group, Harishchandra argues that family offices – especially second- or third-generation organisations – need to carve out space for calculated risk in order to become more entrepreneurial.

Allocating a small amount of capital to bolder investments fosters a mindset of learning and engagement, he explains. "By the third generation, many family offices start to resemble

institutions: conservative and overly focused on preservation instead of growth," he says. "My advice? Embrace change. Even allocating 5 to 10% of capital to entrepreneurial, higher-risk ideas gives you a vested interest, and with that comes curiosity, accountability and resilience."





SECTION 4

Cyber risk: Achieving digital resilience

Family offices are an attractive target for cyber attackers, be they organised criminal gangs, ‘hacktivists’ motivated by perceived social or environmental injustices, or hackers sponsored by governments hostile to the family. A recent Deloitte survey of more than 350 single family offices found that 43% had experienced a cyberattack within the past two years alone, with one-quarter suffering at least three during that time.²

This exposure to the threat can be reputationally, operationally and financially costly. One report³ by IBM estimated the global

average cost of data breaches to be USD \$4.88m in 2024, a rise of 10% on the year before.

Cheng says he treats cyber-security as a top priority at Voyager Capital, having had first-hand experience of cyber criminals attacking an e-commerce platform that he used to lead in China. “In some cases, hackers breached our operations systems and manipulated product pricing, which could have caused real damage if we hadn’t contained it.”

Scammers typically impersonate business contacts or family members when they attack

2. <https://www.deloitte.com/content/dam/assets-shared/docs/services/deloitte-private/2024/family-office-cyber-security-report-2024.pdf>

3. <https://www.ibm.com/reports/data-breach>

family offices, Cheng explains. “In most cases, the threat comes from phishing emails that create panic, like a message from a hacker claiming that a family member is in trouble and needs urgent funds.”

These tactics work more often at family offices than people expect. “Emotions get involved, and, before you know it, someone has issued a transfer ticket without properly checking,” Cheng adds.

Pivot to vigilance

There is an urgent need for family offices to review their cyber risk management strategies, particularly if they have not experienced a direct attack or attempted breach and have not therefore identified the risk as a major concern.

“The cyber risk is higher for leaner family offices where security and resilience may not previously have been the focus or where there is a blurring of personal and professional boundaries,” says Owen from Control Risks.

To an extent, this is about elevating the fundamentals: ensuring devices are protected, not just by passwords, but also by layered authentication measures, such as context-aware multi-factor verification. These should be configured with coercion scenarios in mind to avoid exploitable methods, such as SMS, and should incorporate features such as duress protocols or remote lockout. Investing in intrusion detection also forms a resilient first line of defence.

“The cyber threat is higher for leaner family offices where security and resilience may not previously have been the focus.”



James Owen

Global Head of Digital Risks,
Control Risks

Leaner family offices may benefit from partners that can support them by monitoring threats and identifying the kinds of hackers most likely to attack. External consultants and specialist insurers – who attempt to calculate and insure the monetary value of data while providing education and support around system recovery – may offer valuable protection here.

“We typically experience a lack of governance, policies training and risk assessments,” says Stephen Peters, Head of Investigations, Forensic Services, BDO.

“A family office that is not aware of where it is exposed leads to control weaknesses. This lack of preparedness is generally because the business perceives these risks as extremely unlikely because they have never been a victim. Unfortunately, this is an open-arms opportunity for fraudsters.”



Building awareness across the generations

Family offices need to invest in building internal awareness among family members of all generations as well as family office executives, of the latest cyber threat developments.



This is important because hackers are deploying sophisticated methods, such as using deepfakes and social engineering, to make executives think they are conversing with a family member when really they are being tricked by a hacker.

“Social engineering is one of the main entry points for high-profile breaches, yet staff training can often be outdated, generic or treated as a compliance checkbox,” says Owen. “Ensuring that training integrates deepfake scenarios used to enable fraud is crucial. Attackers are sophisticated in their tooling and approach and will go after family members, including children, who are vulnerable in ways that fall outside of the organisational remit,” he adds.

In addition to training, family offices may benefit from drills – potentially organised by ‘white hat’ ethically minded hackers – to test their readiness. “We used to run full simulations involving team leaders and department heads, to prepare for different types of attacks,” says Cheng.



Next steps for resilience

As the commentary featured in this report makes clear, there is no magic bullet to achieve resilience. What works for one family office may be unsuitable for another. Nonetheless, there are steps that family offices can consider in the short term to help address some of their foremost challenges.

Join family networks to support the legacy north star

Family offices will be stronger if they work together – to share insight into their successes, provide a forum to discuss family matters with the younger generation, and learn from each other's mistakes.

"Some families are doing better than others, and that's why we regularly host family office lunches," says Harishchandra. "It's about learning. That kind of human-to-human exchange is something AI can't replace."

Cottorone adds that family offices should play an active role in industry groups, focusing on areas where they see emerging potential, such as crypto and other emerging financial spaces, for building the family's longer-term, intergenerational interests.

"I encourage people to join industry groups and chambers of commerce that provide a unified voice," he says. "One organisation alone can't shape regulation meaningfully. But collectively, we can."

Embrace AI for flexibility when managing financial risk

AI tools can help family offices become better informed about market developments, to navigate challenging conditions and move quickly when new opportunities emerge. The technology enables users to carry out targeted research in minutes rather than days and make informed decisions that give them an edge in investment planning.

In one example, family offices can use locally hosted, secure AI solutions to analyse their private data – including emails, news reports, economic forecasts and company documentation – and ask it to compile a succinct overview of a potential investment’s viability in the face of downturn. Moreover, those engaged in impact investing and patient capital can use

“This is an open-arms opportunity for fraudsters.”



Stephen Peters
Head of Investigations,
Forensic Services, BDO

the technology to review an investment’s impact data and calculate its non-financial return on investment.

“We have now developed technology that uses on-premise AI solutions to analyse contracts, reports and data without sending private, sensitive data to SaaS and cloud service providers,” says Cheng. “We feel that this addresses our data privacy and data security concerns while allowing us to unlock the power of AI in investments and operations.”

Safeguard reputational capital to build bridges for entrepreneurial success

In the age of digital information, reputation is paramount. As families navigate the challenges discussed in this report, their reputations will be critical to building trust, forming new business alliances and ultimately maintaining resilience.

This is often a question of instilling in the next generation the values that will uphold the family reputation and incorporating them into family governance. Family offices should also think about how they can use the family philanthropy activity and its art collections (as discussed in our [earlier report](#)) to improve its connections and societal standing.

“Don’t underestimate reputational capital,” Craig says. “Some of the best deals happen in tightly networked circles. If your family members are unreliable, the next time a deal comes up, you won’t get the call.”

Deploy AI to help counter the cyber threat

Through its ability to parse large amounts of information at high speed, AI can flag anomalies caused by hackers infiltrating the system, adapt to new and



emerging threats, and enable family offices to respond rapidly to live incidents, such as by blocking compromised systems.

More broadly, as well as for monitoring threats and tracking infiltration attempts, family offices can use AI to digest data protection and regulatory requirements across geographies. AI can flag the existence of deepfake images and content that can be used for extortion and carry out predictive analysis to help the organisation prevent future attacks.

Cheng also makes the point that the evident value of AI-enabled cybersecurity qualifies it as an investment opportunity; “Cybersecurity isn’t just a cost centre, it has real investment potential,” he says.



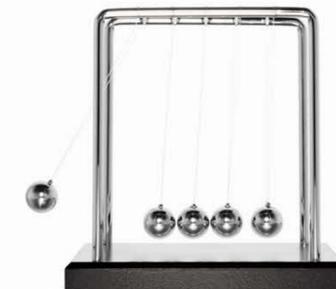
Conclusion

Asian family offices are operating within a complex business environment, but they could take comfort from a concept that recurs across Eastern traditions: challenge, doubt and change are stepping stones to growth, wisdom and confidence.

It also helps that most family offices are built on strong foundations, having typically been created by resourceful individuals with a

mission to protect their wealth for future generations. External conditions may be putting this resourcefulness to the test but – with the right mindset, guidance and tools – family offices can achieve the resilience they need to endure.

Above all, guided by legacy as their north star, family offices can navigate the uncertain present to build an even brighter, more secure future.





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