

# Hong Kong – A Top-of-mind Place for Family Offices

Leveraging Hong Kong's strategic location in the GBA, Arete Capital Asia is ripe for expanding its family office and asset management business in the region.

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Principal

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**Arete Capital Asia Limited**

Founded in 2017, Arete Capital Asia is a Hong Kong-based multi-family office that invests in both early and late-stage companies for commercial profit, while pursuing impact investments with an environment, social and governance (ESG) angle. This creates a win-win situation for all of its stakeholders. Its services include direct investments, asset management, advising on a portfolio of financial assets, and guidance on wealth organisation. With deep roots in Hong Kong and Asia Pacific, the company is committed to creating value for its clients and building strong relationships within the financial markets and economies of the region. Arete believes that Hong Kong, with its sophisticated financial system, is the best place for best practices.

## Business Made Easy

Helmed by Charles Luchangco, who grew up in the Philippines, Arete is a boutique investment management firm. The firm handles portfolios for its clients and invests in innovative sectors including construction technology, FinTech and eCommerce. According to Luchangco, conducting business in Hong Kong is easy and straightforward. “Hong Kong engages with the world,” he stated. “It is a safe, efficient city. Solid infrastructure, finance, and legal framework – all of these are available here. Also, Hong Kong adopts a simple, low-rate tax system. It is one of the most business-friendly tax systems in the world.”

Currently, Arete is building its client base and Luchangco has his eye on developments in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), particularly in the technology-driven metropolis of Shenzhen. “We are having conversations with smart city developers,” he noted. “The GBA is an interesting market for this type of investment.” Luchangco added that as a key GBA city, Hong Kong offers companies a myriad of commercial opportunities, and is a strategic financial hub for China and Asia as a whole.

## ESG as a Guiding Light to Ventures

At Arete, ESG considerations are part of its strategy for building companies that are going to have long-term sustainable value. The decision whether to do a deal is based on a case-by-case assessment. Commercial returns, impact investing and philanthropy are all taken into consideration. “We like to take a more human approach to how we put deals together,” explained Luchangco. “Building our business has to make sense for everyone. We are hypersensitive about aligning everyone's interests. And our clients appreciate a boutique firm that sits at their side of the table.”

Currently, the firm has 17 employees in Hong Kong and Taiwan, and is gradually expanding its team. “We hope to find people from different sectors who are interested in problem solving. These may include young parents or retirees seeking part-time work,” said Luchangco. As part of its expansion,

Arete has established links to Silicon Valley via investing, and a representative office will be opened there.

Having lived in Hong Kong since 1994 working with global investment banks, Luchangco summarises his personal reasons for establishing Hong Kong as Arete's headquarters: “Its international vibrancy keeps us here – we love its dining scene plus the fact that the family can go camping on weekends and I can be back at work on Monday morning. I personally love Hong Kong's energy: it cannot be found to this degree in other Asian cities. A Hong Kong person will always get things done. For Arete and myself, Hong Kong simply ticks so many boxes.”

## Arete Capital Asia

- Established its headquarters in Hong Kong in 2017
- Licensed by the Securities and Futures Commission of Hong Kong for Type 1, 4 and 9 to conduct regulated activities for dealing in securities, advising on securities and asset management in Hong Kong

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