

Carret Private Head Kenny Ho Eyes Synergies, Partnership and Scale as Endowus Takes a Majority Stake

Leading Asian digital wealth advisory platform Endowus in October announced the purchase of a majority stake in Hong Kong-based external asset manager (EAM) and multi-family office (MFO) Carret Private Investments Limited (Carret Private), which serves ultra-high-net-worth individuals, families, trusts and charitable organisations. The deal sees the enlarged group become one of the largest independent wealth managers in the region with assets under management of over USD4 billion, and customers ranging from mass affluent investors to high-net-worth (HNW) and ultra-high-net-worth (UHNW) clients. Carret Private also holds a minority stake in Singapore-based EAM Lumen Capital Investors and the strategic partnership they entered back in 2019 will continue under Endowus. Hubbis met up with Carret Private Managing Partner Kenny Ho, who founded the firm in 2016, to learn more of how the acquisition by Endowus will play out to both parties' benefit. He explained that both brands will continue to operate individually as before, while Endowus will help in a number of key areas, such as broadening the private markets and alternatives product base, building greater scale, achieving cost efficiencies, and making further advances in digital solutions to better serve their clients.

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Kenny Ho
Carret Private

Since its creation six years ago, Hong Kong-based Carret Private has been building a notable reputation for servicing complex wealth needs of HNW and UHNW multi-generational families and entrepreneurs across Greater China and Asia and has won many of the top awards as a leading EAM and MFO in the region.

Accordingly, at first sight, Singapore-headquartered Endowus, now the largest independent digital wealth advisor with predominantly mass affluent type clients, might not seem like the typical ideal partner for acquiring a majority stake in Carret Private.

Investors aligned

But Kenny Ho explains that, although the transaction came about through the sale of roughly 60% of his firm that had been held mostly by a wealthy family office in the USA, the deal was very much with the support and cooperation of himself and other shareholders of Carret Private, who retain their stakes in full.

Ho reports: “At a time when larger private banks are consolidating

their bottom lines, clients are now more than ever, demanding unbiased, independent and transparent wealth advice, which is precisely what we excel at. This new deal will help Carret Private to meet the three key trends in our industry, namely meeting the digital demands of our clients, creating more transparent, fee-driven businesses, and helping us to expand further into the private markets.”

Brand integrity

Kenny drills down a bit further into the deal, noting that the two brands will henceforth continue as they are, but behind the scenes there will be a host of collaboration and synergies in the areas of technology, talent, systematic wealth advice, and institutional investing across the public and private markets, as well as alternatives. “

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The combination of a digital-led Endowus model and the relationship manager (RM) -led Carret Private model and cross-fertilisation will boost both brands’ capabilities to cater holistically to the wealth needs of clients across the demographic spectrum,” he reports.

The independent model expands

Kenny also refers to comments in the October release that the deal comes at an interesting time for the independent wealth market in the region, as it strives to

emulate the more mature model in Switzerland, where at least 30% of private wealth is managed by such firms. And at the same time, the digital model is increasingly successful in Asia, with Statista data indicating that “WealthTech” firms in the region hold more than USD200 billion in AUM, meaning a 400% increase from just four years ago.

Centralising the CIO office

Kenny elaborates on the key area of collaboration around investments, noting that Samuel Rhee, Chairman and Chief Investment Officer of Endowus, is bringing his significant and proven expertise to centralise a new CIO office to serve both brands. Rhee has a high profile as a leading CIO, not only at Endowus, but also as

a former CEO and CIO of Morgan Stanley Investment Management for many years. “Endowus will then deliver our combined CIO-office ideas digitally, and we will continue to take a more personal approach through RMs and advisors,” Kenny explains.

Connectivity to the banks & custodians

The second key area of cooperation is more seamless connectivity to all the banks. “Endowus has a remarkable talent base in digital technologies, and they are already helping us



The Endowus-Carret Private Deal – A Snapshot

Asian wealth-tech firm Endowus in October announced the purchase of a majority stake in Hong Kong-based Carret Private Investments (Carret Private), creating a broad-based Asian wealth management group covering many thousands of mass affluent type investors as well henceforth as the typical HNW and UHNW clients Carret Private serves out of Hong Kong.

Endowus’ acquisition of Carret Private signals its accelerating entry and commitment to serve the needs of Hong Kong investors, and its greater ambition to serve the regional wealth markets. Endowus also fairly recently announced its Hong Kong expansion plans, key management hires, and licensing by the Securities and Futures Commission of Hong Kong (SFC). In fact, Endowus will also be the first digital wealth service in Hong Kong to launch 100% trailer fee cashback to its clients, doubling down on its mission to make investing more affordable for everyone.

The Carret Private deal furthers the Endowus commitment to the private wealth markets in Hong Kong and Singapore, which together represent over 90% of cross-border wealth in Asia. With the acquisition, Endowus will now vertically integrate to serve the needs of different client segments, and to provide superior investment and advisory solutions as one of Asia’s largest independent wealth advisors across both digital and offline players.

Gregory Van, CEO of Endowus said when the Carret Private deal was announced: “Together, Endowus and Carret Private have the ingredients and ambition to define the future of wealth management in Asia and to proliferate the rapid growth of independent wealth advisory services.”

Carret Private also holds a minority shareholding in Singapore-based Lumen Capital Investors (Lumen), an MAS-licensed wealth advisor and multi-family office that was founded and led by Wilfried Kofmehl, a private banking veteran with 30 years of experience with global institutions such as UBS and Bank Julius Baer. Carret Private via the Endowus Group will henceforth also have a strategic partnership with Lumen.

develop a really good tech solution for our EAM space,” he reports. “This is for us alone by the way, to enhance our capabilities and reach; this will not be offered to other EAMs.”

Why is it so important? Kenny reports this is because when Carret Private manage their clients’

wealth, they seek to manage the whole wallet, which might be spread across different banks. “The more we can connect seamlessly across the private banks and custodians, the better the bird’s eye view of all that wealth, and the better our advisory and overall proposition will be,” he explains. “We can use technology more

efficiently for connectivity, for analytics, to get the best deals from the banks, to obtain the best execution and so forth.”

Expanding the private assets proposition

And the third key area is expansion further into the private markets and alternative assets spaces, where Kenny says Carret Private already has a strong presence and growing traction.

“Very simply, with the combined buying power of Carret Private, Endowus and also Lumen, we will have better access to more deals,” he reports. “At the same time, via digital distribution, we can build more clients, and then we create more of a virtuous circle of investment opportunities, scale and price efficiency, bringing access to private markets and assets down from the 2% or more the banks charge to something substantially lower that will “disrupt” the market place. We are trying to get banks to stop adding on all these extra layers of fees!”

Kenny also notes that Endowus had previously announced the introduction of new private market and alternative solutions, working in collaboration with leading industry players including Apollo, Blackstone, Bridgewater, Hamilton Lane, KKR, Millennium, Partners Group, and Quantedge to open the gates wider to its own accredited and professional investor base.

Endowus is also working with investment market platforms such as Allfunds, Antarctica and iCapital to offer best-in-class solutions and experiences around private markets. Endowus Fund Smart offers institutional funds and provides 100% trailer fee cashback, making it what the

Key Priorities

Kenny reports that his first priority continues to be the hiring of new RM talent he had referred to. “I can honestly say we retain our RMs, and in fact we lost only one person in the last three years,” he explains. “It is of course tough hiring the right people, but when we do, we make sure they stay and are the right fit for us, so that they want to stay.”

The second mission is the continued improvement of content, independent advice and the sourcing of high-quality deals. And the third area of focus is the digital proposition to improve the information flow to clients and thereby help them make better informed decisions.

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firm claimed in its October press release the lowest cost platform to access exclusive single funds and strategies across all client segments including retail and accredited investors, as well as high-net-worth-individuals.

Hong Kong’s appeal

He says that he is comfortable with his headquarters in Hong Kong and has no plans to expand with more offices in the region. He says that despite many public and less visible headwinds for Hong Kong in recent years, the capital markets there are the most significant and developed in Asia, especially the equity capital markets, which are core to the Carret Private proposition.

“Whilst Singapore is increasing its presence as a booking center, and that’s great, the deal flow is still incredibly strong in Hong Kong,” he says, “and at the end of the day, where the money flows, and where the capital markets are, where the private markets are, is still really North Asia, and we do not foresee that situation changing in the foreseeable future.”

Great potential for independent wealth management in Asia

Looking more broadly at key trends, Kenny states that he is entirely confident that the independent wealth management market will continue to expand apace. He says the exodus of top-flight, experienced bankers to

independent and more individual firms such as Carret Private continues, and so too does the growing appetite and expectation amongst private clients for objective, independent advice.

“Almost by definition,” he remarks, “a private banker is not independent, because they represent the bank. But we are. And we are certainly continuing to hire

quality talent and also enhance our access to interesting investment opportunities; all of that will be further helped by Endowus.”

Keeping up the momentum

He concludes the conversation by reporting that the phase since the onset of the pandemic has been remarkably impressive, and that it is only in the most recent quarter

that their revenues had come under any pressure.

“We have for the past several years managed to keep up quality hiring, and at the same time, we have shifted a lot of our commission base to fee-based businesses, we have worked on some great private market deals, which earned us lot of money, and all in all business has been fantastic,” he states. ■

Getting Personal with Kenny Ho

Kenny is an industry veteran with over 25 years of experience in investment banking and private banking. He is recognised as one of the pioneers of wealth management’s open-architecture business model. Prior to setting up Carret Private in 2016, he was an integral member of Julius Baer’s regional executive management team and helped establish its Asian franchise in 2006, and then helped grow the business to one of the top private banks in Asia. He held various leadership positions at Julius Baer, including Deputy Global Head of Investment Solutions Group and a member of the Asia Executive Board and Global Investment Committee. Prior to Julius Baer, Kenny was on Credit Suisse’s regional executive committee.

He was born in Delaware on the east coast of the United States and attended the University of Chicago, where he obtained his MBA in Finance and Accounting. His first job was with global management consultancy company McKinsey in Houston, Texas, before moving into investment banking with what was then known as Salomon Brothers on Wall Street.

“Salomons later brought me out to this fantastic opportunity we call Hong Kong,” he recalls, “to participate in the amazing growth of Greater China in the early days of dynamic expansion. Then in the early 2000s, I migrated from investment banking to wealth management where I was very fortunate to go directly into Credit Suisse Private Banking, then heading up the Asian investment platform. And from there, a core team of us followed our CEO from Credit Suisse to build the wealth management business in the region for Bank Julius Baer.”

Aside from his role at Carret Private, he also today sits on the board for numerous companies, including being an active member of the Governor’s Advisory Board for the University of Chicago Booth School of Business, a member of the Board for the Children’s Medical Foundation, a board member for the Mary Rose School, and a member of the Church Council of Christ Church Hong Kong.

Married to a Hong Kong national, they live in Clearwater Bay, where the Clearwater Bay Golf & Country Club has become Kenny’s new favourite hangout in Hong Kong.

They have a 13-year-old son, who recently went off to boarding school in Massachusetts in the US. “I simply got fed up when I heard from his Hong Kong school that they would continue with only half day schooling, despite the rest of the world going back to normal post-pandemic,” he explains. “My son started out there on September 6 and is enjoying it so far. It is a lovely, smaller co-ed school in a nice location, and we are looking forward to visit him during Thanksgiving.”

Kenny reports that he is also back to wider travelling again for business as well as leisure, including visits to their villa in Bali. “I am also planning to spend a few weeks in Qatar during the forthcoming World Cup.”