ADVERTISING FEATURE

Investors choose personal risk level

Travis Miller: Alternative assets have huge tailwinds behind them.

Investment capabilities broadened

iPartners investment platform has taken off like a skyrocket since its foundation five years ago, attracting more than 10,000 investors and more than $1.1 billion of investments across more than 180 funds.

That remarkable growth is not only continuing, it's accelerating according to the company's co-founder, Travis Miller. "It looks like we're going to do about $US100 million this week," he says. "Alternative assets have huge tailwinds behind them."

The company's success is built not only on its ability to give wholesale investors access to institutional grade alternative assets on exactly the same terms as family offices and institutional investors, but also on the quality of its leaders.

Miller – an ex-managing director at UBS Investment Bank and director at Deutsche and ANZ – founded iPartners with Rob Nankivell, formerly of Macquarie Bank. Bob Mansfield, the former Telstra chair, was recently appointed chairman of the board.

"We're a technology business that pools investors together into a unit trust, and then makes a bigger investment with that aggregated capital," Miller says. "This creates enough fiscal power to compete for high-grade assets on the same terms as banks.

"We give investors entrance to an asset class that is historically very hard to access. Some are opportunities we have used our expertise to put together or we'll join skills with another fund manager with specific expertise in that area.

"About half of what we do involves funding warehouses, the other half would be loans to private companies, providing capital for property whether it's equity or debt, providing access to global funds, or access to aggregation strategies involving properties like hotels or rural farms – all sorts of private market assets."

The company operates on its secure cloud-based online portal, iPlatforms, which clearly sets out a wide range of investment opportunities. The product team does all the due diligence on the underlying assets, completes the documentation and makes sure investors are in the best possible position to make a fully informed decision.

The minimum investment is $10,000 and no advice is given. The platform provides complete transparency and resonates with self-directed investors because customers make their own choice from the opportunities set out online.

A typical example of the offerings was a recent portfolio of mortgage-secured residential loans that provided a total return of 15 per cent over 18 months.

"We steer towards asset-backed investments and tend to stay away from equity in start-ups, however we're happy to look at the debt side of non-bank lenders in their early stages because that's a significantly better risk than the equity," Miller says.

"Investors can choose their own level of risk. You can have a junior secured loan or a senior secured loan. A senior secured loan might pay, say 6.5 per cent, and a junior secured loan might pay say 10 per cent. The senior secured loan has more subordination – which means someone takes the risk and loss (if at all) before you do.

> "Our technology offering has seen a rapid take-up from highly regarded businesses over the past two years, enabling them to broaden their investment capabilities and enhance their client experiences in the alternatives sector."
> Travis Miller

"It's no different than what happens in the institutional market except we're just doing it for a pool of smaller companies, whereas the banks do it for bigger companies."

Asked how iPartners achieved its rapid growth, Miller says it's because the company is run by highly experienced networked financial market professionals.

"We're not start-up kids just out of university," he says. "We're founders aged in our mid-to-late 40s who've worked in financial markets for 15 to 20 years, and if you build a good reputation people are prepared to back you.

"Then, once you perform and start to give investors money back, they go 'well that was pretty nice, they did what they said was written on the box', and then they tend to give you more money and tell all their friends. It sort of feeds on itself."

iPartners mitigates the risks inherent in an economy sailing out of COVID-19 into an uncertain future by diversifying its portfolios.

"The key to it is just making sure you have a diversified underlying pool," Miller says. "So, for instance, if you think about a loan pool to 300 mums and dads, I'd much prefer 300 small loans to one really big loan to one person – it's a really nice risk position, and I'd much prefer that to just lending to a single company."

Another side to iPartners business is a testament to its confidence. The company is selling its iPlatforms technology to other capital raisers with all its features, and allowing them to offer their own products under their own brand to their own investors.

"Lots of capital raisers in the market are doing it the old way by filling out forms," Miller says. "Our technology offering has seen a rapid take-up from highly regarded businesses over the past two years, enabling them to broaden their investment capabilities and enhance their client experiences in the alternatives sector."

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