

Hong Kong WealthTech illio Brings Seamless Portfolio Aggregation and Analytics to the Wealth Management Community

Vanessa Gibson is based in Hong Kong and is the Founder of 'illio', a digital platform for portfolio consolidation and analytics. She 'met' remotely with Hubbis recently to explain that illio is a customer-centric solution providing transparency and portfolio management, and analytical tools that empower users to monitor and manage their investment portfolios. She explained that the business is for the wealth management community investors and their private clients and was created by former investors, leveraging her and her fellow founders many decades of experience across multiple global asset classes. She reported that they have successfully built an institutional quality SaaS software that is easy to use and within the price range of the private wealth community. She explained that illio is the second business she had created, having in 1996 previously founded Wharton Investment Advisors Limited, Hong Kong, one of Asia's original and award winning hedge funds and whose AUM grew to just under USD1 billion. She told Hubbis how illio, founded in 2019 has since then created and refined its software and user experience, and is now ready to deliver its solutions to clients by offering a seamless, easy-to-use experience for portfolio aggregation, that will address many of the shortfalls faced today by the wealth management industry, family offices and hedge funds. As customers take up the illio platform, she explained that the firm has a growing body of wealth industry clients from which to garner more feedback, and thereby continue to improve the offering.

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illio is a cloud-based, multi-asset portfolio management platform that consolidates investment data allowing clients to track and analyse an investment portfolio. “Our platform has been built on the pillars of more than 35 years of investment experience and billions in AUM,” Vanessa reports. “We not only give customers the tools to make their job easier, but we also incorporate data analytics, automation, and machine learning to digitise the investment process. We have our core products out in the market and new products are in the pipeline, for example, our forthcoming Portfolio Builder offering.”

She explains that her own experience as an investor over several decades, including founding Wharton Investments and running a major family office, is aligned with her co-founders, Kenneth Sue (ex-Coutts), Sarang Karkhanis (ex-Wharton Investments) and CTO Larry Lorden (ex-Best Buy). “We bring a collective expertise and background that has allowed us to forge the platform and our solutions to address precisely the hurdles and challenges facing our customers every day,” she reports.

A consolidated view

The consolidated portfolio view provides clients with the capability to compare multiple asset classes, across different geographies and currencies. Statements and reporting are addressed by delivering access to a self-directed investment portal with advisor access and self-service reporting. With smart algorithms, illio delivers self-directed access with computer-generated analysis.

Vanessa explains that there are some core challenges to address.

Firstly, firms today have had to incur expensive operational costs in integrating multiple data partners which results in a highly time-intensive operational process. From a resourcing perspective as a wealth advisory, having this data fed through will require extensive processing, calculations, and reconciliations to generate client reporting. Illio sets forth to alleviate these concerns by providing the algorithms, analytics, and integration needed on one seamless cloud-

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hosted platform. In building illio, Vanessa emphasises the importance of having a clean front-end user accessibility. For many wealth advisories and family offices, they may be logging in across multiple systems to generate user data. Much of this data is reconciled on spreadsheets – with no portfolio data visualisation that can be leveraged for client management. Finally, the illio platform can provide remote access to end clients through a secure portal allowing greater transparency for the client and drive robust white-label reporting—with detailed granular position level data critical for every investor.

Plug’n’Play and Cloud-Hosted

“However,” Vanessa reports, “the illio experience brings a genuine consolidated and efficient

one-stop vision of portfolio aggregation to the private wealth, family office and hedge fund community, all of whom have long suffered these shortfalls in information and portfolio visualisation. Our solutions provide a plug and play approach with easy implementation, and securely hosted on the cloud.”

Expanding on these elements, Vanessa explains that with Plug-n-Play, customers can upload

all their assets, and consolidate those positions to obtain a single portfolio view across all asset classes, geographies, currencies, and custodians/brokers. Easy implementation is on offer via what the firm calls its ‘white-glove service’, providing full E2E implementation in getting the customer’s portfolio live onto the illio platform.

Interactive and user-friendly

With all of these capabilities and characteristics, illio’s customers are able to optimise risk analytics and exposure relative to benchmarks and assess market sensitivity, the platform capturing critical sets of risk variables and presenting a visualisation of them in an interactive manner.



VANESSA GIBSON
illio

“The performance and benchmarking capabilities allow investors to easily and in real-time evaluate performance against a variety of market benchmarks to determine if they are outperforming or underperforming the market,” Vanessa explains. “And illio offers excellent P&L attribution, allowing customers to gather rapid insights from real-time visualisation of gains and losses, to then calculate the P&L for a portfolio, at both the asset class and individual positions, and obtain enhanced insights with really granular detail of how money was made or lost, due to price movement, income, or FX fluctuations.”

Aligning missions with information

Additionally, illio facilitates stress testing that helps clients determine if any potential loss is proportionate to risk appetite and assess whether the portfolio remains sufficient to meet the stated investment goals.

“The stress and scenario modelling functionalities allow customers to easily simulate scenarios,

to analyse a portfolio and the impact of changes due to market variables, such as equity prices, volatility, yield, and/or FX,” Vanessa elucidates. “The interactive illio solutions in terms of benchmarking and stress testing are proving really valuable to our clients, and really well appreciated by them, as they offer insights based on correlations and other variables as to what they might make or lose across asset classes, across sectors, across countries.”

A mobile world

Mobility is also vital. The intuitive UI/UX illio boasts of is achieved by a clean user-friendly design, with the platform engineered for the real world, for investors in need of quick accessibility without compromising on informative analytics. “And as we are cloud-hosted, the clients can access their portfolios on-the-go via apps readily available for download on iOS and will be available on Android,” she reports.

More to come...

And finally, a new product is soon to emerge in the form of the illio ‘Portfolio Builder’, providing customised intelligence that helps assess different return profiles of model portfolios, and to analyse risk across different portfolios and gain a deeper understanding of relevant investments. “And customers will be able to achieve unparalleled insights by substituting investment holdings for other assets and utilising screening tools to evaluate how portfolios could have performed under different scenarios,” she reports.

Cost-effective

Vanessa remarks that illio is different from competitors in

that the firm takes the entire investment and portfolio visualisation and analysis process from start to finish for wealth management providers, family offices, financial advisors, and hedge funds. “We then automate all the processes and steps,” she explains, “because although there are good reporting tools, front end delivery, modelling tools, and robust portfolio management tools out there, illio offers a one-stop, multi-asset solution combining all of those attributes and features, and all at a price point that is truly compelling for the clients.”

Tailored to the customer base

She expands on this comment, noting that outside the major private banks many, perhaps most, wealth advisors and family offices in Asia don’t have the money to pay for a very big expensive, configurable system, and even if they did, they would not readily have the time or the experience to properly implement one of those types of systems.

“What we have achieved is to build something that actually works almost like an app in terms of how easy it is to use, how easy it is to download and upload a portfolio, but actually has fairly complex algorithms that make our customers’ jobs so much easier. We designed this for the wealth space; we help those advisors integrate several different processes, and thereby save them time and make them more efficient and more responsive for their end private clients.”

Building from the centre

She reports that the potential customer universe in Asia

comprises mainly from Singapore and Hong Kong-based financial advisors and external asset managers. But there is plenty of scope in Asia beyond those two centres and, of course, for financial advisors globally. “With more diversification of assets, for example to alternatives and digital assets nowadays, we are ideally suited because we include a wider range of asset classes, we actually can fit into the criteria investors are trending towards, compared for example to some of the older systems which would literally just aggregate your bank accounts and maybe a few fund holdings.”

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Vanessa also reports that Australia is a very big potential market for illio, and the firm has some family offices on trial there and some financial advisors that will soon implement the illio platform.

Simple pricing formulae

She explains that billing is on an annual license fee basis and is therefore not related to AUM but instead determined by the number of users.

“We can cater to a very small firm with just a few RMs up to far larger institutions,” she reports. “I am not

a fan of the AUM-driven fee model, which although it might be great for us, it is not ideal for the client. Moreover, the functionality of tracking your portfolio and analysing varies only a little in terms of the size of AUM, whereas the real difference is in number of types of asset classes and the number of portfolios or managed accounts you’re looking after. And the value is there for the customers, as we provide all of that in one platform - the analytics, portfolio management, reporting, and risk assessment – with the only exception being order management, so we connect into those externally.”

B2B primarily

Vanessa explains that for a wealthy individual, they too could use the illio platform and obtain all the information and insights, just as a wealth management client might use illio and then feed that information back to the end clients.

“There are many solutions built-in, but from a perspective point of view, you could then analyse the volatility of the whole portfolio, look at the sensitivity of the biggest positions, whether there is any overlap across different assets, correlations, and then you can also run analytics on variables



and essentially assess your holdings just as would a portfolio manager, aggregated across the analytics, across currencies, across custodians, countries, markets, types of funds and different assets, you can also see how the portfolio performed within certain dates, compare against benchmarks. For an individual, it is time-saving and easy as well as convenient and mobile, but for a wealth manager with 100 portfolios, it is a remarkably efficient and time-saving platform that we offer.”

Digital days ahead

Vanessa also observes that the digitisation process in wealth management and the world of advisory is evolving rapidly, although as yet, few have really embraced that full digitisation of the front end.

“Australia has actually done a better job of giving people access via online digital tools shared from the wealth management platform,” she reports, “and we are very much part of that trend, enabling and promoting the protocol of wealth management providers sharing their insights with the end clients in order to improve transparency and also boost responsiveness and enhance client relationship in the process. We are at the forefront of this evolution, helped by our rather powerful analytics and the visualisation of those, which really helps contextualise things for the private

clients. We are very largely B2B at this stage, as it is the advisors who can make the assessments through our platform and then share those with their clients.”

Key Priorities

With the business having developed its software and user experience over the past nearly two years since inception, Vanessa reports that the firm is now ready to onboard customers and therefore a key mission now is to rapidly scale the business.

“The more clients we bring on, the more feedback we obtain, and the more rapidly we can tweak the platform to enhance the product and delivery,” she elucidates. “The more feedback, the better and each release is a better version of itself. Two years of seeding and now we are ready to reap the rewards by driving towards scale.”

Another priority is to add extra wealth building tools, which are tools that help people construct portfolios, not just from looking at what they have now, but looking about where they want to be.

She reports that the build-out concept is to help private clients - most of whom have a variety of pensions, share options, investments, insurance and so forth - by adding extra functionality that allows them to adjust from what they have today to what they would like to be in terms of their total portfolio, based on their goals.

“This,” she says, “is not driven by some sort of goals-based suitability questionnaire like with a robo-advisor, but by an interactive process that helps people determine the types of returns they want and see what risks they might need to take on to achieve such ends. We are aiming to put real numbers behind this type and easy visualisation, and therefore to help significantly improve decision making and relevance in the way people construct their portfolios.”

A solid platform for the future

Vanessa closes the conversation by noting that the firm launched in 2019, and today the firm has a team of 17 business leaders and founders and also engineers, based in the UK and Hong Kong. “We have funded this entirely ourselves,” she reports, “which is obviously a major commitment of time and money, this is not a simple business to build properly. We truly believe in this solution and have built it from the perspective of experienced, multi-assets investors, leveraging the skills of our internal and external technology experts who have achieved all the goals we have set out along the way. There is a large and receptive wealth management market for our platform here in Asia and worldwide, and we are excited and energised by the opportunities ahead.” ■



Getting Personal with Vanessa Gibson

Portfolio consolidation platform illio is the second business Vanessa has created - she was previously Founder and Principal of Wharton Investment Advisors Limited, Hong Kong, one of Asia's original and successful hedge funds, founded in June 1996 and whose AUM had reached almost USD1 billion by 2008. Between 2009 and 2014 Wharton Investment moved to only running their partners' funds and handled a number of Managed Accounts for several large single-Family Offices. During those years, she was winner of the Best 1999 Fund Performance for the Relative Value/Arbitrage category and voted one of 'The 50 Leading Women in Hedge Funds' in 2010 by The Hedge Fund Journal.

During some of those years at Wharton, she also sat on the Investment Committee of Northview, a large single-family office based in the Cayman Islands, before taking over as full-time CIO between January 2015 and June 2019. As CIO, Vanessa was responsible for the investment and allocation of the multi-asset portfolio as well as the risk management. She was also a Director of the ELMA Foundation Impact Investment Board.

Prior to founding Wharton Investment, Vanessa had more than 10 years' experience in investment banking, including at Board level, in trading, sales and structuring in equities, fixed income and Derivatives.

Vanessa continues to make investments across multi-asset classes globally from her office in Hong Kong. Aside from her investing and running illio, Vanessa is currently a Board member of Sustainable Finance Initiative, a Hong Kong based group focusing on sustainable investing and ESG. Over the years, she has also funded and supported several programs for the Christina Noble Foundation including establishing a school for children inside Mongolia's main prison.

She hails originally from London, educated in the UK, and trained as a journalist at the London College of Fashion. "I soon realised that I didn't really want to do fashion journalism, and luckily my lecturer suggested spending some time in finance," she recalls. "I quickly found a role with a UK stockbroker that had a group specialised in bonds and from there, I got headhunted into another major firm on sales and trading, and I soon found myself earning a lot of money."

In fact, she began her life in the City with none other than Dean Witter Reynolds, one of the largest US retail brokerages, which was later absorbed into Morgan Stanley in 1997 before joining Barings Securities.

"I made my mark in fixed income with them, and specialised actually in Japan, Asia, warrants, convertibles and derivatives," she reports. "I've always worked in what might be considered the slightly more esoteric parts of the markets, in derivatives rather than the average run-of-the-mill products. The world of finance is constantly shifting and evolving, and I enjoy constantly learning."

She professes to a passion for trading and investing and says a great moment in her career was the four years from 2015 she spent as CIO of the family office out in the Cayman Islands. "They are a very private family behind a foundation and my mission was to help the foundation make more money for philanthropic activities," she reports.

She also observes that in the world in which we all find ourselves now, there is no potential for return without taking exposure to real assets or financial products of some type, and that means retail players and investors will not be quite so fair-weather as they have been historically, because they don't really have anywhere else to go. "This is especially true for the younger generations who are digitally savvy and need to invest for their futures," she observes. "Unlike during my working life, these generations struggle to find attractive low-risk investments, whereas we had a world of choice starting with as simple a product as deposits in the banks, which used to return attractive levels of interest, and today virtually nothing."

Vanessa is married and they have one son aged 25 who also lives in Hong Kong and who plays for the national rugby team. Leisure time often sees her and her husband hiking and walking extensively around Hong Kong during lockdown, and of course enjoying travel in more normalised times.