

The new way to invest in private companies: meet Vauban's cofounder Rémy Astié

Maddyness UK speaks to Rémy Astié, cofounder of wealth container platform Vauban, about launching a business from a dingy flat, hurdles for new angel investors and the change in approach to investing.

Temps de lecture : minute

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What was your professional background before founding Vauban?

My cofounder Ulric Musset and I met at university in France, and we founded a few apps and websites there together. After graduating, we worked in professional services for a couple of years. I got the idea for Vauban after seeing a new generation of investors coming to the market, and realising how far the current offering is from what they would hope for.

Ulric worked in finance and then at a large insurance business, but we remained in touch throughout that time and ran a blog together. After discussing the concept behind what is now Vauban, we agreed there was a great opportunity here. We both quit our jobs and have been building the business together ever since.

What is Vauban?

Vauban is a technology platform that makes it easier, faster, and more cost effective to pool money to invest in private companies.

With Vauban, investors can create their own syndicates, share interesting companies and invite their network to co-invest on a deal-by-deal basis in them. Common use cases include joining forces to write larger tickets, follow-on on existing deals by leveraging pro rata rights, or simply charging a carried interest for carefully sourced deal flow.

Most of our clients are established VC firms, serial angel investors and family offices seeking a way to quickly and efficiently set up their investment vehicles. But Vauban's vision is to open up alternative asset investing to anyone with deep expertise in a particular asset class or sector, so they can leverage their knowledge and network.

A potential new customer I spoke to the other day was my doctor, who has deep knowledge in biotechnology to heal a variety of things from allergies to anxiety. I spoke to him about using Vauban to let his network invest in the most promising companies in this field, providing financing for important medical research and getting his network involved in exciting biotech companies. Because Vauban is designed to be used for co-investing, our network has been built organically from our clients inviting others from their network to use us.

What is Vauban's USP?

We are powered by Wealth Containers; these configurable investment entities abstract the complexity of SPV structuring in an end-to-end platform. This means investors just need to focus on identifying interesting companies and building their network of co-investors. I think this seamless and simple user experience is one of our key USPs and sets

us apart from the army of advisors that were previously needed to structure a fund or vehicle. Investors can also expect to build their vehicles in only a few days, rather than weeks, and for as little as £4k. In short, we are fast, affordable and easy.

When did the business launch and how has it evolved since?

Ulric and I founded the business roughly three years ago, in 2018. Like many startups in their early days, we were founded with a little more than an idea, some market insights and a few laptops. We started Vauban in a dingy lower ground floor flat and have now grown to a team of 30 people in our new offices in Moorgate. We're immensely proud of the amount of traction we've been able to generate in only a few years; we've enabled transactions of over \$500M through our platform with over 300 containers created so far.

How are you funded?

We raised £1.6M in our first seed round last year. Our current investors include Pi Labs, Kima Ventures, Westloop Ventures, Argonautic Ventures and UFP Fintech. That raise has allowed us to enhance our offering, move offices and make some key hires.

How would you describe Vauban core ethos?

We are all driven by a mission to bring great UX to all in the alternative investment space. We believe that by making the infrastructure for private investments easier, cheaper and faster, we set capital in motion and the result of that really is that it ignites creation and fuel innovation. It means capital is available faster and earlier for those who build the companies and the housing of tomorrow.

Why is the barrier to entry for angel investors so high? How can it become more accessible?

As a rule, startup founders prefer to deal with a few larger investors rather than dozens of smaller ones, in order to avoid ending up with a messy cap table and excessive admin. Because of this, minimum ticket sizes for early stage rounds in the UK are typically around £50k or more. By allowing investors to pool capital, we can significantly reduce that threshold, while avoiding the cap table issue - so everyone's a winner! By reducing ticket size, we are also allowing investors to take a more diverse, portfolio-style approach. Instead of putting £50k into one startup and taking on all the risk that entails, you can put £10k into five startups.

Knowledge and access to high-quality deal flow is also one of the biggest barriers to entry for angels. It's very hard to source regularly early-stage deals that fit with your area of expertise. By the time you find them it's often too late. Being part of a Capital Club increases the number of opportunities that come across your desk, and you can build a very valuable investor network in the process.

How are declining interest rates changing investment preferences?

While interest rates and returns from fixed-income assets have been low, there has obviously been more of an appetite for alternative investments, as investors have been trying to find more productive outlets for their capital. However, even as interest rates rise - which seems increasingly likely given the current inflationary pressure - private markets will remain an enticing option for sophisticated investors. The appeal of private markets lies in the asymmetry of information: fewer specialised operators

in the space and lower levels of transparency paired with the greater upside potential of early-stage businesses can all result in supercharged returns, but only if you identify your targets early and move at speed.

What are your aspirations for Vauban in 2021 and beyond?

I think the beauty of our platform is that it allows access to such a broad range of investment opportunities, so our business is inherently scalable. Our plan is to continue building and supporting our client base, with our next significant milestone being \$1B invested in wealth containers on our platform.

Of course, there are always enhancements we can make to our platform, and we may look to expand our offering into more asset classes and countries over the next few years. In the broadest possible terms, our aim is to continue fuelling innovation by getting capital in motion and making life easier for investors.

Rémy Astié is cofounder at [*Vauban*](#).