

PRIVATE INVESTMENTS

Democratizing opportunities for investors

WPC talked to Portland Holdings chairman and CEO **Michael Lee-Chin** about how advisors can differentiate themselves by opening up new avenues of investment for their clients

MICHAEL LEE-CHIN, chairman of Portland Holdings and Mandeville Private Client, is one of the most recognized financial advisors in the world and is the only advisor on the Forbes billionaire list. Since getting his start in the financial advisory business, Lee-Chin went on to purchase multiple companies

public and private investment opportunities typically reserved for affluent and institutional investors. Access to quality private and alternative co-investment opportunities, along with a disciplined investment framework, has provided Mandeville advisors with an opportunity to enhance their value, differ-



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Michael Lee-Chin, Portland Holdings and Mandeville Private Client

across various sectors globally, including financial services, hospitality, waste management, media and consumer goods.

Now, with Mandeville, Lee-Chin is leveraging his global network and experience in creating wealth to help democratize the world of investments. Mandeville’s mission is to provide investors with access to quality

entiate themselves and create more wealth for their clients.

For Lee-Chin, this idea was a natural evolution of his own experiences. He says he owes everything he has today to the clients who supported him in his early days as an advisor. When he looked at the industry and didn’t see the same respect being shown to

clients, he knew he had to do something to bring more value to them.

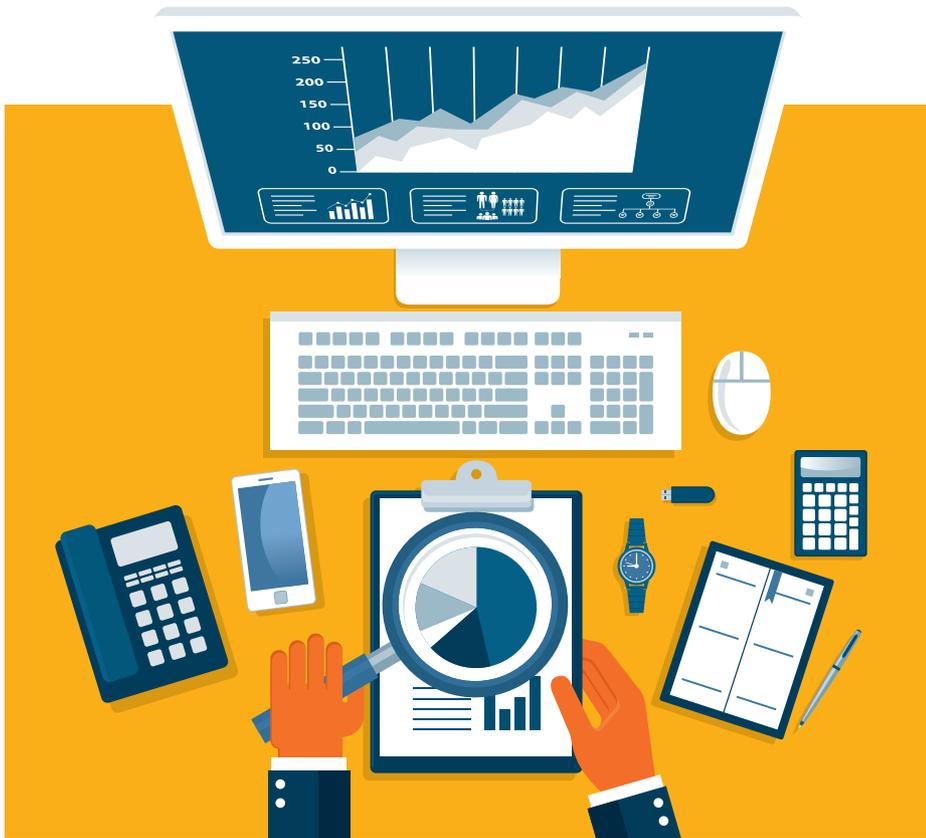
“After I sold Berkshire and AIC Limited and eventually started a new dealership, I knew it needed to be respectful of clients’ needs because there had to be somewhere to start the movement,” he says. “It starts with a position and building a dealership from scratch with a philosophy like Mandeville’s, which is not easy. Very few people can afford the burn rate before you get to critical mass. I am doing it because I am beholden to my roots, my clients, and I want to make sure there is a beacon in our industry that will eventually lead the way to start changing narratives. For us, leading by example means clients can be better served. It is a passion of mine to do what is in the best interest of clients.”

At the core of his business model is a drive to change the dynamic of how clients invest. Lee-Chin points to the fact that many retail investors still have 100% of their portfolios in public securities, yet that’s not how pension plans and large institutional investors create wealth. Mandeville has set itself apart by delivering different options for client portfolios.

In addition to diversifying portfolios, one of Lee-Chin’s main aims is to educate investors on private investments, which he feels have gotten a bad rap over the years.

“There is a perception that investing in private securities is more risky,” he says. “When I buy a publicly traded security, I am basing my decision on the information given to me by an investor relations department. I don’t have the opportunity to go into the company and diligence emails, lawsuits, budgets or interview management as freely as I do when purchasing a private business. When I purchase a private business, the entire data room is open to me. If we make better decisions by having more information, we get more information when we diligence a private business than what is fed to us through an IR department of public company.”

As for risks, Lee-Chin says they exist with both public and private companies. “In both cases, whether regulated or unregulated, you have risky investments,” he says. “At the end



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MISSION
Provide access to investment opportunities within
both the public and private realm that are typically
reserved for the affluent and institutional investor

of the day, you'll make a better decision if you have more information."

Lee-Chin explains that since the Portland Group has its own assets, it has buying power that can be translated into investment opportunities for clients. "We have access when there is a fundraise by a large institution," he says. "They are going to call us because of our reputation, so we have buying power. All we are doing is using that access and giving clients the opportunity to participate in that quality of investment that would previously never have been available to them."

Giving clients that access is all part of Mandeville's independent mindset, which, Lee-Chin says, "starts with the advisor, who should have an independent mind and work back from that in an environment that is supportive of it. That is what we do at Mandeville. At the end of the day, it's our clients who pay our bills, no matter who our sponsor or company is. So if we take the approach that we are working on behalf of our clients, that will keep us on the right path. If we are being influenced by

virtue of or corralled into a small universe of available financial products, then we have to ask ourselves, in whose best interest are we working?"

Moving forward, Lee-Chin says that as the industry continues to change, it will be critical for advisors to differentiate themselves. Otherwise, they risk becoming irrelevant.

"As advisors, we need to focus on what clients need, which is the ability to create wealth," he says. "Commoditization of the industry is a big problem, and we are trying to deliver an antidote. Second, we operate in a regulatory environment that is very prescription-based, and the prescription is general. I think what is needed is more education from advisors to clients because we are very formulaic right now. Third, the products the industry is selling to clients invariably are not wealth-creating. Fourth, there is an allergic reaction to clients owning private companies in their portfolio. So there are many factors afoot. There are a lot of issues we need to face and start conversations to come to a solution, or we will go the way of the dodo." **WP**