

153 TRG Transcript

Mike Stohler

What if you could be doing something smarter with your money that creates income. Now, if you're wanting to get ahead financially, and enjoy greater freedom of choice, if you want a comfortable retirement, and you know you'll have more choices, if you can do more with your money. Now, if you've wondered who else is creating ways to make their money work for them, and you want actionable ideas, with honest pros and cons, and no fluff.

Welcome to the Richard geek podcast, where you here helping people find creative ways to build wealth and financial freedom. I'm Mike Stohler, and in this podcast, you'll hear from others who are already doing these things, and learn how you can to.

Hey, everybody, welcome back to another episode of the richer geek podcast today. We have Stefan von Imofs. And Stefan is we're gonna get into a lot of different we've talked about real estate, we've talked about all these different things. But we're gonna take alternative investing just a little bit further. Stephen is the co founder and CEO of alts.co ALT s.co. He has a strong background in alternative asset analysis valuations. Prior to co founding alts.co, he was head of product at Flippa. Where he was where he created the due diligence program

How you don't Stephen? Telling great, how are you? Good, hey, you know, we're doing fine. And I can't wait. You know, I get excited and kind of geeked out about alternative investments. Because too many HGTV episodes are telling people, you know, fix and flips and Airbnbs. And, and they just don't realize that there's a plethora of other crazy different things that people can invest in. Tell us a little bit about alt co where you got started, what was your idea about going? Way alternative?

Stefan Von Imof

Yeah, thanks. So I think, you know, it was about four years ago, or so, three, three and a half years ago, I just started realizing what was happening with the retail investing space, namely, that alternatives were starting to get really popular, and it seemed to be happening really quickly, all of a sudden, what I didn't know, at the time was that a lot of this was due to the Jobs Act, which was passed by Obama. And that created something called Regulation A which Long story short, led to the easy securitization of all sorts of different assets, and for non accredited investors. And so this law, this regulation, basically created kind of like an explosion of new fractional base startups, they kind of started in real estate actually, right with, you know, a lot of the the fractional real estate companies. But they were starting to really blossom into all sorts of interesting things like cars and collectibles, and, you know, just all sorts of different areas. And, you know, I realized, like,

wow, this is pretty, this is pretty interesting. Around the same time, you know, we, I realized that, you know, there's something really special happening on the retail side, where investors were really starting to shy away from financial planning, financial advisors, doing their own research, right, doing their own homework. That's a good thing and a bad thing, by the way, but it was definitely happening, right. And one of the, you know, themes we saw happening was, you know, people are starting to just invest in all sorts of new stuff that they would never have invested in before. So the 6040 portfolio is kind of starting to die. And people were starting to really think about, you know, investing into all sorts of new stuff. And so I basically just started writing about it, I started on substack, and just grew a pretty good following from substack. And about, you know, six or seven months in, there was another gentleman who had his own substack newsletter, he was also writing about alternative investing, we were kind of coming at it from different angles. So I was coming at it more from like, like the website flipping space and digital assets and domains and kind of like, you know, side hustle kind of area. And this other person, Wyatt, who's kind of coming at it from the angle of like collectibles, and rare books, this guy had actually created a, an algorithm for pricing in deciding the value of rare books, which I thought was really cool. And so we started talking and we're like, look, we're kind of doing the same thing here. Why don't we just do it together? Let's let's just joined forces and, you know, make something happen together. And, you know, I live in Australia. I'm an American living in Australia. He's an American living in Spain, so we'd never met in person, right. It was kind of wild, you know? we'd never met, but we decided to start the company together. And so that's how alts was, was born.

Mike Stohler

So, talk to us about, I've had some people on the podcast, they talk about artists, you know, I'm thinking about maybe artwork and some of the other things, where there's so many NF T's, to maybe fund it and maybe a way to invest. But what you're looking at is break it down to this, like when we're talking about within this fund, and we'll get into it a little bit where it might have X amount of this and X amount of that and a little bit of artwork, some books, even some sneakers, just what exactly are you investing in? Is it like someone that wants to create a sneaker? Or is it just a collectible sneaker? What is that you're actually

Stefan Von Imof

we're looking for the right rarest in highest value, alternative eclectic, esoteric, physical assets that we can find. So it's, it's it's a think of it as like an alternative investing hedge fund. That's like way off the beaten path. That's the way to think about us, right. So, you know, alternative investing is nothing new. It's changed over time, it used to be instill is at

the institutional level about, you know, what we call like old school alternatives. So private credit, hedge funds, private debt, debt financing, you know, that kind of thing, maybe a little bit of real estate, some REITs and stuff like that, but really nothing. You know, what we, you know, well, we invest in, we invest in, like I said, like, off the beaten path, esoteric, eclectic stuff. I'll give you an example. So I mean, some of the stuff in our fund is we've got artwork, British modern artwork, we've got a vinyl record that was owned by John Lennon. We've got toys, Original Star, star wars, sealed toys, we've got comic books, we've got a pele rookie card. We've got wine, we invest in tequila, we invest in whiskey by the barrel. So I mean, yeah, it's like, we're just, it's the kind of stuff that like other hedge funds wouldn't even touch with a 10 foot pole. And and that's basically our whole bread and butter.

Mike Stohler

Yeah, and that's, that seems very exciting. To me. It's like, well, yeah, you know, can I own a piece of a Ferrari three, whatever, you know, whatever, you know, 5% of that, or something that was it's just crazy. So when you get these things, are you actually physically buying them? And where do they go? I mean, is you have a sure a nice, safe somewhere or have

Stefan Von Imof

money. This is the most embarrassing thing, but it's the truth. I've never physically seen or touched a single asset that we hold, and it's because they're in a set of warehouses and vaults basically all over the place, right? So like, the artwork has never left London. The the whiskies sitting, sorry, the tequila is like in the town of tequila in Mexico and these big barrels, right. So it's like, we've got all this stuff, but it's all stored and shared and vaulted. You know, there's a whole sub economy that's kind of grown the past, you know, half decade or so to assist with stuff like that. But yeah, I mean, that's basically that's basically it. Yeah,

Mike Stohler

you know, I had someone on the podcast that deals with really rare minerals. And he said, Yeah, you know, there's a vault that contains these, he's never seen them. He doesn't want to see them, but they're in London somewhere.

Stefan Von Imof

I wish I could touch the vinyl record, that's for sure. But, but yeah, it's funny when you say minerals, though, because that's interesting, like rare earths. So definitely, you know, I think an alternative asset, we've even looked at purchasing like an asteroid, like a very small piece of an asteroid. In like, we explore this stuff, and it's just fascinating what we learn, you know, I mean, asteroids, it's actually not a finite supply. It's pretty close. But yeah, every year, there's basically like small meteor showers and they'll you know, that there's chases asteroid chasers that will go to the middle of the Sahara desert and find the, you know, pieces of rock that fell, and it's just unbelievable. And then they sell them on the in the markets of Morocco. And so like, we haven't gotten there yet, but like, the sky's the limit, like nothing's off limits, like if it's alternative, like we're interested in at least a little bit.

Mike Stohler

How do you analyzed something? There's just there's so many things that are one offs in rare things. What is there something that you'd look at, in particular, like, you know, that the return is going to be this or is you just, it's kind of like a cool factor. It's like, well, you know, this is a one off and I want to own something, how do you make a determination?

Stefan Von Imof

It's very much not just based on cool factor and gut and all that. So this is actually like what we do and why we exist is that we he's kind of got our start analyzing these esoteric asset classes looking at data in a way that no one had ever looked at before, because half of this stuff is so new and was never really considered investable. Right? In the past, well, that's all changed. Now. The answer is in comps. That's it. It's just in comps. It's like in real estate, right? You look at the comps. Now the difference with real estate is you type in a zip code and a square footage and you can get within 10 15% of the price of a house like without question, like we have so much data on this plus it goes back 100 plus years, there's, you know, all sorts of pieces of data, you can feed into the algorithm into the soup to come up with a pretty good price range for a piece of real estate. Asteroids aren't like that, right? But there's always something out there. There's always something you can look at. So you look at the weight, you look at the quality, you look at the you get experts involved and get their opinion on how it compares to recent auctions. But it's that's it, it's just all about the comps. There's always something you can compare it to with some asset classes. You've got tons of data with us. It's kind of thin, but you can always triangulate that that

Mike Stohler

price. Yeah, you know, because I'm looking down your list and everyone it's, if you want to look at it's alt alts.co. And there's wine whiskey, which I like watches, which I like, and you know, things that harken back to when I was a kid you know, the video games, the sports trading cards, sports movie memorabilia. Boy, I wish I wish I had some of those Topps cards back, you know, that I had when I was a kid, you and

Stefan Von Imof

me both man, I don't pretend to have this huge collection. Like we're, we're searching for the best cards in the market like everyone else. Yeah. So

Mike Stohler

let me ask you this. What is some of the cool give me an example. Some of the stuff is like one, you know, you always kind of pull out they're like, Yeah, we got this. You know, is there any?

Stefan Von Imof

Yeah, this there's so much stuff I used to say like, I'm usually one of the more interesting people in the room. I'd say my favorite is the vinyl record. So I'm a huge vinyl collector. I've got about 300 350 records. i It's a that by the way, that is a whole fantastic asset class in its own right. But like many alternative markets, what really matters is the high end, right? You know that like the low end just doesn't matter all you need to be getting the best of the best. And so when the in the case of vinyl records, the best of the best is the Beatles is within the top two or three, right? Like that's considered like, you know, old Beatles records in pristine condition are fantastic. The one that we have, we got an auction for about \$50,000. So it's numbered 00000002. And the legend has it that the first four copies of The White Album of this record, were given to all the band members, all of the other three are accounted for. This is the only one that that that is not currently owned by a Beatle. And it was owned by John Lennon. And so we were able to pick this up at auction. And, man, this is a this is like a grail when it comes to record. So there's, there's all sorts of interesting stuff. But that's, that's my favorite one. Yeah,

Mike Stohler

it's amazing. So let's talk a little bit about how people get involved you, you're introducing the ults one fund.

Stefan Von Imof

So still, yeah, so our Alltven fund is exactly the way you know, the community driven funds. So it really comes down to our community, we've got a community, about 95,000 people are growing every week. And these are the folks who are investing in this fund, they have to be an accredited investor, you do not need to be located in the US, but you do need to be accredited in your local jurisdiction. The minimum is \$20,000. The average investments about \$27,000 but this puts you into the fund. And this is we're coming up on year one, just right about right now. It's a 10 year fund. So we are not looking for quick flips. This is not the kind of thing where, you know, we're gonna have immediate quick, you know, mega returns or anything like that. This is we're looking for criminally undervalued alternative assets for the in the long run. And that's the idea.

Mike Stohler

So it'd be hard man, you know, after 10 years, Oh, I gotta give up that vinyl record, you know, at some point. So what do you think the plan is at the end of this 10 year, do you? Is it number one, is that an opening or closing at some point? Are you just going to stop it? And then the plan is just start selling some things off or re investing. What's your plan?

Stefan Von Imof

We have no immediate plans to it's open ended and we have no immediate plans to to close it. But thinking ahead about a year before we I plan on closing the funds when we'll start selling depending on market conditions, what we'll start selling the assets within the fund. At that point and probably a little bit before that we'll close close the Fund for now. It's just the the nav basically just changes every quarter. So you can buy in at any quarter, and the price fluctuates based on the total asset value. So yeah, that's, that's, that's how we're doing it. What

Mike Stohler

are you seeing in the next three to five years? What are some of the things that are hot? You know, because some of the things that I would have thought, five or 10 years ago, like

this is stupid and obsolete is worth crazy amounts of money. What are some of the trends? Are you seeing? That might be a good alternative?

Stefan Von Imof

I think there's right now we're in a shift towards more like yield producing assets. Right. So, you know, private credit, private debt, kind of this is where the old vaults kind of shine as opposed to like the new non cash flowing assets. But I think that that's, that's right now, in the future. I mean, it's anybody's guess, I think, if you're, if you're buying into this fund, you're basically buying into the idea that you think Ultra valuable museum grade collectibles are going to continue to increase in value. I absolutely believe that we all believe that at the company. Not everyone may believe that. But I think what you're seeing out there is that there's new asset classes and everything right now. And stuff that you wouldn't even consider in a museum is now museum quality. And in fact, going into museums, I'll give you an example. The original iPod, the very first model of iPod, right. So that was that was that released? Oh 708, I believe. If you bought that iPod, kept it in its box, sealed in its shrink wrap in its box, and just stored it away safely. That cost I think, you know, when it was released about what \$400 \$500 That area, that is now a \$30,000 alternative asset. That's what these are selling for at auctions right now. And there's not a lot of them out there. Right? There's a handful, like, we don't really know what the population is on these. But that's much better than Apple stock has done in that same time frame. If you bought \$400 worth of Apple stock in a way you'd be doing great. But you wouldn't have \$30,000. So I'm not saying that'll continue forever. I'm not saying that we're gonna get returns that are that good. If we bind pristine assets today, what I am saying is that the world is definitely come to an understanding that there's a real value in the soldier and in keeping pristine copies of cultural relics alive. And that is something we absolutely believe in. We've seen this with artwork, I mean, artworks been an investment for decades, wine has been an investment for for decades, one artwork are, incidentally, probably the two best alternatives you can have. But there's more. There's others out there. And that's what we're going and seeking.

Mike Stohler

Yeah, it's crazy. It's like, oh, my gosh, if I just why did I play with that toy? You know?

Stefan Von Imof

The iPad is it wasn't that long ago, right? I mean, this is, I mean, maybe I don't know, it doesn't feel that long ago, I guess it actually kind of is starting to be quite a while ago, but,

you know, 15 years, that's not that long for that kind of investment. That's pretty insane. That's pretty crazy. And so, you know, there's always speculation like, you know, what's going to be the next thing, it just takes time. It's always obvious in retrospect, but we know value when we see it, we only look for the best and we have the confidence that the market will value it the way we do.

Mike Stohler

And you know, I can see how and I don't know if you see like natural resources being kind of overworked right now. But you're looking at all these green pushes. And alternative fuels and all these minerals that you have to have in order have these just the new batteries and all these different types of things. The rare minerals you can't just go dig a hole and we know that China has has most of that stuff. Really

Stefan Von Imof

has a lot to do actually. Yeah, yeah, the rare earths cobalt lithium in a lot of that's I mean we're getting way into you know, esoteric world but yeah, a lot of that stuff that the supply is controlled like in Bolivia by the government and so there's a lot lot to be said. I mean, we just did a big thing on diamonds. What's happening with diamonds now is they're getting standardized in a way that they never were able to get standardized before so a bar of gold has been like a standard for decades, but that's not we don't have that with diamonds. So this is a company now called Diamond standard which is doing exactly that they're creating bars of diamonds bars of diamonds just like gold. And this is creating a standardization in the market that's going to turn diamonds into yet another alternative investment that's liquid, right? That's the key is liquidity and you need standardization for that. So there's just so many companies working on so many different areas and doing interesting things in the space. You know, some are gonna succeed phenomenally. Others will fall by the wayside, but the tide keeps going up for all this stuff, you know? Yeah.

Mike Stohler

And what are some of the more some of the things that people wouldn't even think about? You know, that I had someone on podcast that, that you can invest in Broadway musicals? Yeah, as an alternative, some people you can have, you know, he wanted the very first Air Jordans something or other and, you know, just some of these court cases, you know, in court. That's alternatives like litigation, financing,

Stefan Von Imof

litigation, finance, and Broadway financing, you know, that almost falls in the realm of like, it's almost like a type of venture capital, right, where you're making a lot of bets. And most of them don't pay off. And then this, the few that do pay for all the other ones, right? And then some, that's kind of like venture in that way. Those Those are fascinating. I mean, look, this is what we do. There's so much cool stuff out there. I'd say some of the most interesting stuff. There's a few that come to mind. You know, we looked at investing in fine cigars for a while. You don't really like what we found. But it was definitely interesting to explore. We've looked at one thing we have done is we've invested in vintage concert posters. So this is literally just posters from like the 60s and 70s, before digital art was was big, you'd have these nice elaborate posters for like the Grateful Dead and what have you. And it's not a huge, massive market of collectors, but the people that collect them are willing to pay for the Grails. And so we have like in our fund, we've got the second most expensive Concert Poster ever sold at auction ever. It's a Grateful Dead one from the 60s. It's a very famous one. That was a fun one, I'd say the most interesting thing that we've explored, and we haven't invested in this in the fund. But the most interesting thing we've explored over the past year is you ready for this? It's a rare, what we call heritage license plates. It just so happens that here in Australia and Melbourne, Australia where I live, this is the epicenter of this market. The market is all about buying low digit license plates. So just like a license plate that just says like it just has number like 106 on it or something like that, or number 15 or Lucky number seven, these go for millions, if they're in the single digits, millions of dollars. In fact, they never even come up for sale anymore, because no one's selling them. You're maybe lucky to get not a two digit, not a three digit, you're maybe lucky to get like a four digit plate. Now. That's how crazy the markets gotten. And that market is now expanding. It just so happens to be the epicenter here. But Dubai, there was a recent sale, there was a the number seven United Arab Emirates license plate sold for 20, I think \$21 million. Right. So I mean, this is this is fascinating stuff. No one knows this market even exist. But there's a growing group of hardcore fanatics that are into this stuff. And we haven't even made an investment in it in the fund. I just think it's a fascinating market that I didn't even know existed up until three or four months ago. So yeah, there's all sorts of esoteric stuff out there, it really is amazing.

Mike Stohler

What are some of the things and that that amazes me? Because I didn't know you could, I thought you had to like turn them in. And I thought, you know, like here in the States. I can't sell my license plate. And I mean, it's what goes with my car. And then if I saw my car, the license plates are no longer valid. Well, they're worth

Stefan Von Imof

more than the car and you can sell it. I mean, most of the time that I'm not gonna get too much into it. But there's entire Facebook groups that are just dedicated to what they call plate spotting, which is, you know, people like we'll see like the number 65 on the freeway or something and they take a picture and they upload it to the group and everyone's like, Oh, wow, people know who owns some of the low digit ones like it's, it's, it boggles the mind. Yeah,

Mike Stohler

it's unbelievable. What are some of the things that people need to kind of be wary about? If they want to get involved in this space? You know, it's just not everything old is valuable, right. But what are some of the things that you need to kind of warn people that think that this is interesting?

Stefan Von Imof

Every market is different. Um, but generally speaking, you kind of want to keep emotion out of investing to some degree, right? You know, there's kind of a few schools of thought on this. Some people are like, actually, no, the emotion is what counts. And you should be buying assets because you love them first and foremost, not because they're good investments. And I actually just, I mean, I totally agree with that, that's, I, there's plenty of cool stuff, quirky stuff that I own, that isn't actually that valuable to the market, but it's valuable to me, it's got sentimental value, or I just like it, right. I've got vinyl records that I bought for 10 bucks, and I play, you know, once or twice a week, no one else wants them, but I'd freaking love them, then I've got records that, you know, like, I know, are worth five \$600, you know, and it's so I guess, you generally if you're if you're investing for yourself, and you don't worry so much about how the market values things, right. But if you are investing for the for yourself and for returns, make sure that you're you know, you're doing your homework, and that's why we exist, we try to take the emotion out of a lot of this stuff and look at things objectively, and just make a case for why we think X, Y and Z. I mean, I think there's one thing to know about us is we don't have an agenda as we're exploring and writing about this stuff. Like we don't, not everything's a buy, not everything's a sell. It's just, we go into each opportunity, we kind of just objectively look at the pros, the cons, and take people along for the ride. And I think people appreciate that, you know, and they might not always agree with our assessment, and that's fine. But yeah, I mean, we're basically just out there just trying to educate and refer ourselves mostly, and then just kind of take everyone else along for the ride. Yeah,

Mike Stohler

and there you go, everybody. And you know, I always harp that, don't do it yourself, let the experts do it for you. So if you've wanted to own a piece, a very small piece of something extremely cool. You probably don't have the money yourself, to go out and buy it. So that's why alta.co This is why these types of funds, the ultra one fund exists. So it's just cool. It's like I owned a piece of vinyl record that was once owned by linen, you know, a very small piece, but you actually own it. And you can brag about that. And I would, I would, I would tell everybody I've met this like guess what I own it or a piece of that I own and it is a cool factor. And this is why we have people like Stefan on is you can invest in diversify your portfolios into something extremely cool. And hopefully very lucrative. And when you put it with experts like Stefan, then your chances of success are, you know, 10 fold 100 fold. Stefan, where can everyone find you?

Stefan Von Imof

You can find us at all stuck co just alts.co come to the site, sign up for the newsletter. If you like what we're putting out there. We're happy to have you and reach out to me anytime.

Mike Stohler

LinkedIn

Stefan Von Imof

Yep, or on LinkedIn and just email me I read every email we get. We're an email based community. So I read everything you get stuff on it. I'll take that code.

Mike Stohler

Very go and everybody against alts dot CEO, Stephen, I appreciate you coming on. It's been a blast heavier. Thanks, Michael. Thanks for tuning in to the Richard geek podcast, where we're helping others find creative ways to build wealth and financial freedom. For today's show notes, including all the links and resources from our show, and more information about our guests, visit us at www.VRichardgeek.com/podcast. And don't forget to jump over to Apple podcasts, Google Play Stitcher, or wherever you get your podcasts and hit the subscribe button. Share with others who can benefit from listening and leave a rating and review to get the podcast in front of your eyes. I appreciate you Ken, thanks for listening

