Alternatives

Assetora builds a platform for growth in alternatives

With a couple of difficult years receding in the rearview mirror, reconstituted investment platform company Assetora is enjoying having only the normal challenges of business, says chief executive Darren Younger.

James Dunn

James is an experienced senior journalist and editor of The Inside Network's publications.

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The concept of 'fractional investing' is simple: after all, it is the foundation of the share market, in which companies divide their equity into millions (sometimes billions) of units, each of which is a unit of ownership in the entity, its assets and profits; and each of which can be traded in the open market.

It isn't a revolutionary concept; it's been around since at least the 16th century. But what is revolutionary is taking it to the world of alternative investments, in a technology-enabled way.

That is the mission of Assetora Limited (ASX: AOH), which operates a platform for fractional investing in a variety of assets, including commercial and residential property, agriculture, energy, and securities. The company is a re-named and rebuilt DomaCom, but chief executive officer Darren Younger, who took over the top job in November 2024, is keen to emphasise the differentiation from the original entity, which first listed on the Australian Securities Exchange (ASX) in 2016.

The DomaCom platform enabled fractional investments in a range of asset classes including property-related investments, mortgage-backed securities, renewables, affordable housing, disability accommodation and debt securities through a unique sub-trust structure tailored to them. Assetora retains the fractional investment model and platform architecture, but has refocused the business on the broader alternative investments universe, with a dual mission to deliver strong financial returns and meaningful social impact.

"We're transitioning the business from primarily being a property fund manager to a technology-enabled fractional investment platform," says Younger. "The aim is to fractionalise alternative investments, making them available to retail as well as wholesale investors."

Property remains one of the asset classes that suits the fractional investment model well, but Assetora is targeting areas such as private credit, agribusiness and tourism/hospitality assets, with a philosophy that there is little that could not be fractionalised. Younger says the company plans to capitalise on "emotionally resonant" projects – such as sports clubs, event venues, pubs and tourism assets such as surf parks – to attract community-based investors.

"The sub-trust model enables self-funding capability for projects that groups of like-minded people want to invest in," he says. "The Assetora platform enables financial advisers and consultants to easily set up syndicates or wholesale funds for projects. Every new sub-fund or project goes through a formal investment committee review and due diligence process.

"Effectively, the platform offers a compliant, templated model for investment projects, without them needing an Australian Financial Services Licence (AFSL), says Younger. "We're looking to make investments on the platform available to retail as well as wholesale investors, with the typical minimum investment reduced to $1,000, and plans to use feeder funds for retail access to wholesale products."

Younger previously ran Bricklet, which, like DomaCom, focused on on-title fractional property ownership. Bricklet partnered with AMP Bank to launch a Shared Equity Program for home buyers, and initially began conversations with DomaCom in 2023, to help fund the homeowner equity scheme.

At the time, DomaCom was encountering difficulties that had seen its shares suspended in May 2021, for 15 months, and another trading suspension that began in February 2023, as well as a trustee suspension of new business, in July 2023. Although there has not been a merger or reverse takeover, Bricklet has become

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integrated with Assetora through a revenue share model, and Younger and his management team have rebuilt the company.

"The strategic actions we took included a $3.5 million private markets recapitalisation, the repayment of $2.3 million in loans, the conversion of $3 million in debt into shares and a 50 per cent revenue share agreement with the Bricklet homeowner platform. We did a one-for-five share consolidation to reduce the 1.2 billion shares on issue. We injected about $8 million, we have mostly cleared about $5 million of debt, and we have updated the financial records, which had not been audited for 18 months, and appointed a new auditor," says Younger. The FY25 half-year showed an $8.3 million liability, which was reduced to $3.1 million within the first quarter of 2025: the stated target is to achieve positive net assets and – potentially – positive cash flow by the next quarterly report.

This week, Assetora launched the Australian Homeowner Equity Fund, opening it to wholesale investors. Built specifically to support the Bricklet Homeowner Program, the fund is designed to provide a unique shared equity solution to help more Australians access the property market. It offers investors access to a diversified residential property portfolio by contributing up to 20 per cent of the property purchase price in exchange for a co-ownership stake; homeowners cover the remaining 80 per cent through a traditional mortgage, typically with top-tier partners such as AMP Bank, and pay the fund an occupancy fee, generating stable income returns, with additional upside potential through capital appreciation.

Following a successful two-year pilot phase in collaboration with AMP Bank, more than 25 home-ownership transactions have been completed through this model. Importantly, says Younger, the program now has a waiting list of home-owners ready to participate, demonstrating proven demand and the fund's readiness for scale.

The initial fund size is $100 million, with capacity for growth. The fund targets a 12 per cent internal rate of return (IRR) a year, combining income and capital growth, and is supported by a risk-managed framework including geographic diversification, robust credit assessment processes, and strong legal protections for investor equity.

Having cleared a significant backlog of operational, financial and legal issues, Younger says the company now has "far more enjoyable" challenges, those of a normal business; of establishing the Assetora platform in the marketplace, and building the market capitalisation and share register of a listed microcap company.

"We are quite excited by where we find ourselves, after a lot of hard work," he says. "Now it is a matter of telling our story, and doing what we say we will do. Assetora is no longer just a property fund manager: we are an investment platform of the future – one that leverages technology, innovation and diversified asset offerings to maximise returns for our shareholders."

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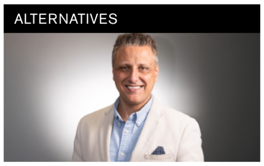

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Level 4,
125 Flinders Lane,
Melbourne,
VIC 3000
+61 3 8616 0888

Sydney
Level 3,
63 York Street,
Sydney,
NSW 2000
+61 2 8029 9911