## FT PARTNERS FINTECH INDUSTRY RESEARCH

August 24, 2021



# DRIVEWEALTH

DriveWealth Raises \$450 million in Series D Financing Led by Insight Partners and Accel







The Only Investment Bank Focused Exclusively on FinTech

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## **Transaction Summary**

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- On August 20, 2021, DriveWealth, a fractional trading and embedded finance provider, announced that it has raised \$450 million in Series D financing at a valuation of \$2.85 billion, coled by Insight Partners and Accel
  - The round also included participation from new and existing investors including Greyhound Capital, Softbank Vision Fund 2, Point72 Ventures, Fidelity International Strategic Ventures, Base 10, FTX, and FlightDeck
  - DriveWealth plans to use the new capital to fund continued product and service expansion, talent acquisition, and technology innovation, in order to execute its strategic vision of becoming a category leader in embedding investing across digital wallets and brokerage apps
- The funding will also be used to launch self-clearing and to accelerate the Company's execution via strategic acquisitions and partnerships
- DriveWealth's mission is to democratize investing globally by working with partners to invent new ways to use its API-based technology to provide emerging investors with cutting-edge embedded experiences, offer first-time access to U.S. markets, and the ability to begin investing with as little as \$1
  - The Company's cloud-based, API-driven brokerage infrastructure empowers a broad range of offerings including real-time fractional share investing, digital advisory, stock-back loyalty, and retirement investing
  - Notable partners using DriveWealth's APIs include MoneyLion, Revolut, Hatch, and Vested

#### **Transaction Commentary**

"Our goal is for DriveWealth to be the partner of choice to deliver the embedded investing experience of the future. This new capital and investor engagement will accelerate our global expansion plans in order to become the world-class, exchange-like technology company that powers tomorrow's investing products. The proliferation of digital wallets and democratization of investing has led to DriveWealth's incredible growth and user adaptation to date, and the Company's institutional-grade brokerage execution delivers a seamless process to access equities globally. We look forward to partnering with the company as they continue to expand to meet the needs of today and innovate for the demands of tomorrow's fintech ecosystem."

DRIVEWEALTH

**Bob Cortright**Founder & CEO

"The increasing demand for financial services has left FinTech companies eager to expand their products and drive engagement. With DriveWealth's unique combination of brokerage experts and technology, FinTechs can get to market quickly and scale."



**Deven Parekh** Managing Director

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#### **DriveWealth Overview**

#### **Company Overview**

## DRIVEWEALTH

**Headquarters:** Chatham, New Jersey

Founder & CEO: Bob Cortright

Founded: 2012

- DriveWealth is a global full-stack, cloud-based, and API-driven solution provider that embeds investing platforms into digital platforms
- DriveWealth's platform supports not only traditional, advisory and robo-investing but also cashless brokerage accounts, round-up investing, tipping in stock, and more
- The Company's patent-pending Fracker technology provides the ability to invest in real-time fractional shares on a dollar equivalent basis

#### **Selected Financing History**

Date	Amount (\$ in mm)	Selected Investor(s)	
08/20/21	\$450	Insight Partners, Accel, Greyhound Capital, Softbank Vision Fund 2, Point72 Ventures, Fidelity International, Base 10, FTX, FlightDeck	
10/27/20	57	Point72 Ventures, Raptor Group, SBI Holdings, Route 66 Ventures, Fidelity International	
04/03/18	21	Point72 Ventures, Raptor Group, SBI Holdings, Route 66 Ventures	
04/28/15	na	Route 66 Ventures	

#### **Products & Services Overview**



#### Trade

DriveWealth lets customers invest in their favorite brands or diversified portfolios – even novice customers can start investing today in terms they understand, "\$1 of Apple or \$10 in Nike."



#### Advise

Supports advisory businesses whether advising clients and managing their portfolios on a discretionary or non-discretionary basis, or even Robo portfolios. The AutoPilot toolkit allows RIAs to create customized portfolios and investment baskets for clients.



#### Fractional Investing

Fractional share technology lets everyone, everywhere, put their money to work in the largest, most liquid investment markets in the world rather than leaving their spare cash in a low yield savings account.



#### Rewards

Stock rewards can help businesses stand out in a crowd and provide another way to engage brand loyalists. For example, with DriveWealth, reward clients when they increase their savings, pick good stocks, or buy products with pennies of shares that add up.



#### Robo

Robo technology helps offer clients a lower entry point into diversified, balanced portfolios for a fraction of the cost of a single share. The technology matches a client's risk profile to custom portfolios of U.S. investments.



#### Round-Ups

Platform gives clients the option to save more by rolling pennies of every purchase into a diversified portfolio, an index ETF and even the brands they buy most often.



#### **Health Savings Account**

DriveWealth makes HSA offerings even more attractive by giving clients access to a variety of investment options, from Mutual Funds, ETFs and ETNs to fractional US equities.

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### DRIVEWEALTH

### **Selected Competitors: Apex Overview**

**Company Overview** 

CEO:



William Capuzzi

Headquarters: Dallas, TX

Founded: 2012

- Apex's digital custody and clearing platform, Apex Clearing, provides instant account opening and funding, execution of trades across a wide array of asset classes, streamlined digital asset movements, as well as trade settlement and the safekeeping of customer assets
- Clients include online brokerages, traditional wealth managers, wealthtech, professional traders, and consumer brands, among others
- Apex's technology powers innovation for over 200 clients representing more than 14 million customer accounts
- In February 2021, Apex agreed to merge with SPAC, Northern Star Investment Corp. II, at an implied Enterprise Value of \$4.7 billion the transaction is still pending, but upon closing, Apex will be a publicly listed company on NYSE (see more details in FT Partners' profile)

#### **Selected Transaction History**

Date	Туре	Acquirer / Investor	Size (\$ in mm)
02/22/21	M&A (SPAC)	Northern Star Investment Corp. II	\$4,700
02/08/19	Strategic Investment	SoFi	NA
05/31/12	M&A (JV)	Peakó Investments; Penson Worldwide	NA

#### **Products & Solutions**



#### **Clearing and Custody**

A modern, enterprise-grade platform with a full complement of industry networking and tooling integrations to support a wide range of financial instruments, account types and financing solutions



#### **Apex Technical Solutions**

Robust suite of APIs – with an enhanced developer portal – to facilitate the complete trading and investing lifecycle from account opening through regulatory support and everything in between



#### **Apex Extend**

This full-stack business solution connects the front, middle and back-office environments to streamline internal processes and deliver a robust investor experience



#### **Integration Partners**

Choose from an open architecture ecosystem of preintegrated turnkey platforms and specific services to customize wealth management CX and leverage Apex's core technology

#### **Select Customers**





















### DRIVEWEALTH

### **Selected Competitors: Clear Street Overview**

**Company Overview** 



CEO: Chris Pento
Headquarters: New York, NY

Founded: 2018

- Clear Street is building the next generation of global market infrastructure that simplifies access to capital markets and expands growth opportunities
- Clear Street is working on a trading, clearing and custody
  platform that will connect funds to every product and every
  market in the world it is built on a cloud-based platform
  using a service-oriented architecture, designed to be
  flexible, scalable and technology-neutral
- Over 40 companies, ranging from emerging funds to established institutions, use Clear Street's products and services to connect to financial markets, streamline operations and scale their trading businesses
- Clear Street is headquartered in New York with additional offices in San Diego, Chicago, and Tel Aviv
- Clear Street also owns Clear Street Markets, a market maker founded in 2011

#### **Products & Solutions**



#### **Simple Market Access**

Seamlessly connect to capital markets with no hurdle rates or hassles



#### **Seamless Expansion**

Add new products and markets in minutes



#### Good Data

Access real-time data on all assets



#### **Useful Tools**

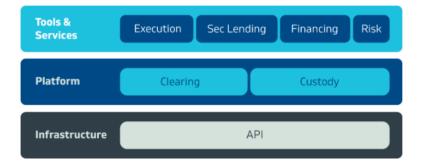
Streamline business with time-saving tools that straighten the messy areas of the markets



#### **Always Improving**

Continuously ship improvements to products and services based on feedback from customers

#### The Product Stack



#### Selected FT Partners Research - Click to View



Circle's \$25 million Financing



Imagine Software's Sale to Francisco Partners



Exegy's Sale to Marlin Equity
Partners



Forge's \$150 million Financing



Robinhood Raises \$2.1 billion in its IPO



Securitize Raises \$48 million in Series B Financing



Bitpanda Raises \$263 million in Series C Financing



Addepar Raises \$150 million in Series Financing

**VIEW MORE FT PARTNERS RESEARCH** 

## Selected FT Partners Capital Markets / WealthTech Transactions

#### **M&A Transactions**













**Financing Transactions** 





































FT Partners has advised on some of the most prominent and groundbreaking transactions in the Securities / Capital Markets / Wealth Technology sectors

#### FT Partners Advises TCA on its Sale to E\*TRADE

#### **Overview of Transaction**

- On October 19, 2017, Trust Company of America ("TCA") announced its sale to E\*TRADE Financial Corporation ("E\*TRADE") (Nasdaq: ETFC) for \$275 million in cash
- Headquartered in Denver, CO, TCA is a leading provider of technology solutions and custody services to independent RIAs, helping them scale operations, more effectively manage client relationships and focus on growing their practice
- E\*TRADE is a leading financial services company and a pioneer in the online brokerage industry, offering easy-to-use solutions for individual investors and stock plan participants
- The transaction is expected to close in the second guarter of 2018

#### Significance of Transaction

- The acquisition will allow E\*TRADE to tap into the growing RIA segment in the industry and bolster its ability to attract and retain customers in need of higher-touch services
- Leverages E\*TRADE's brand to accelerate growth at TCA
- Creates additional upside opportunities over time through cross-selling of margin lending, securities-based lending, options, etc.

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to TCA and its Board of Directors
- This transaction underscores FT Partners' successful track record generating highly favorable outcomes for leading WealthTech companies

## Financial Technology Partners LP

is pleased to announce its exclusive role as sole strategic and financial advisor to



in its sale to



for a total consideration of

\$ 275,000,000



### FT Partners Advises Trumid on its \$200 million Growth Capital Investment

#### Overview of Transaction

- On August 12, 2020, Trumid announced the completion of a \$200 million growth capital investment at a valuation of over \$1 billion led by Dragoneer Investment Group, with participation from new investors including TPG Capital, and funds and accounts managed by BlackRock and T. Rowe Price Associates, Inc
- Trumid is a US corporate bond trading platform that brings trading efficiency and connectivity to credit professionals
- The Company has differentiated itself by collaborating with market participants to create innovative trading solutions
  - Since its launch one year ago, Trumid's Attributed Trading (AT)
    protocol has established a dominant position in dealer streaming and
    bilateral dealer-client trading
- Trumid has experienced extraordinary growth in activity across its trading platform, with volumes up nearly 500% in 2020 from its network that has grown to over 500 institutions worldwide

#### **Significance of Transaction**

 The growth capital from this financing will support broadening of Trumid's trading protocols and expansion into adjacent products and geographies

#### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Trumid
- This transaction highlights FT Partners' deep domain expertise within Capital Markets Tech, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

## FTP Securities LLC

is pleased to announce its role as exclusive strategic and financial advisor to



on its financing led by



with participation from



& funds and accounts managed by

BLACKROCK T.RowePrice®

for a total amount of

\$200,000,000



### FT Partners Advises Forge on its \$150 million Financing

#### **Overview of Transaction**

- On May 4, 2021, Forge announced the raise of \$150 million in new funding
  - The financing round included participation from new investors
     Temasek, Wells Fargo Strategic Capital, LUN Partners Group as well as existing investor Deutsche Börse
- Forge's digital platform streamlines liquidity for hundreds of unicorn issuers and thousands of institutional and retail investors from around the world
  - Leveraging its robust technology, operations and trust infrastructure,
     Forge delivers a suite of services that includes trading, custody, data and company solutions
- The Company also announced that that it has received FINRA approval to operate as a single broker dealer with SharesPost, and in the months since its acquisition of SharesPost, the Company tallied three consecutive recordbreaking quarters
- Since inception, Forge has completed more than \$9 billion in transactions in nearly 400 private companies

#### **Significance of Transaction**

- The continued interest from global strategic and financial investors validates
   Forge's leadership position as it continues to develop new, innovative products
   and services to meet the needs of the private market
- Forge intends to use the new funding to continue to expand service offerings in the US and beyond

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Forge
- FT Partners previously advised Forge on its <u>merger with SharesPost</u> in May 2020, its acquisition of IRA Services in October 2019, and its <u>\$70 million Series</u> <u>B financing</u> in July 2018
- This transaction highlights FT Partners' deep domain expertise within Capital Markets Tech, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

## FTP Securities LLC

is pleased to announce its exclusive role as strategic and financial advisor to



on its financing with participation from







LUN PARTNERS GROUP

for a total amount of

\$150,000,000



## FT Partners Advises Nutmeg on its £45 million Series E Financing

#### Overview of Transaction

- On January 22, 2019, Nutmeg announced it has raised £45 million in its Series
   E financing round led by Goldman Sachs and Convoy
  - Goldman Sachs' Principal Strategic Investments Group is a new investor in the Nutmeg platform, while Convoy, a Hong Kong-based financial advisory firm, is investing for a second time
  - Convoy first invested in Nutmeg in November 2016
- Headquartered in London, Nutmeg is a digital wealth manager operating in the U.K. and Asia (Hong Kong / Taiwan)
  - Nutmeg provides bespoke automated advice and discretionary portfolio management with exposure to multiple asset classes, through its diversified ETF-based portfolios
  - Nutmeg serves more than 60,000 active investors and manages approximately £1.5 billion in assets under management

#### Significance of Transaction

- Nutmeg's Series E financing is the largest funding round by a European digital wealth manager to-date
- Demonstrates Goldman Sachs' continued focus on consumer facing FinTech following the launch of Marcus, its online savings account in the UK

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Nutmeg
- This transaction underscores FT Partners' strong domain expertise and successful track record in the WealthTech space

## Financial Technology Partners LP

is pleased to announce its role as exclusive strategic and financial advisor to



in its Series E Financing from





for total consideration of

£45,000,000



### FT Partners Advises Moneyfarm on its £36 million Series C Financing

#### Overview of Transaction

- On September 26, 2019, Moneyfarm announced it has raised £36 million in a Series C financing round led by Poste Italiane, the Italian postal and financial services firm
  - Existing investor Allianz Asset Management, the investment arm of global insurer Allianz, also participated in the round
- Headquartered in London, U.K., Moneyfarm is a digital wealth manager operating in Italy, the U.K. and Germany
  - Moneyfarm provides bespoke automated advice and discretionary portfolio management with exposure to multiple asset classes, through its diversified ETF-based portfolios
  - Moneyfarm serves nearly 40,000 active investors, manages over £700 million in assets under management, and is led by its co-founders,
     Paolo Galvani and Giovanni Daprà

#### Significance of Transaction

- Moneyfarm will use the new capital to continue rolling out its digital wealth management services to investors across Europe
- The funding round coincides with the launch of Moneyfarm's strategic partnership with Poste Italiane, creating one of the largest digital wealth management partnerships in Europe
  - Through the partnership, Moneyfarm's unique blend of digital investment advice, human guidance and fully-managed portfolios will be integrated with Poste Italiane's digital platform

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Moneyfarm
- FT Partners previously advised Moneyfarm on its <u>£40 million Series B financing</u> and its acquisitions of <u>vaamo</u> and <u>Ernest</u>
- This transaction underscores the long-term nature of many of FT Partners' relationships as well as our strong domain expertise and successful track record in the global Digital Wealth Management space

## FTP Securities LLC

is pleased to announce its exclusive role as strategic and financial advisor to



on its Series C financing led by



with participation from



for total consideration of

£36,000,000



## FT Partners Advises Exegy on its Sale to Marlin Equity Partners

#### **Overview of Transaction**

- On May 20, 2021, Marlin Equity Partners announced that it has completed a
  growth equity investment in Exegy and Vela, two leading providers of global
  market data solutions that power the mission-critical trading operations of
  financial institutions
- Jim O'Donnell, CEO of Exegy, will serve as CEO of the combined Company and Jen Nayer, CEO of Vela, will serve as the Chief Strategy and Administration Officer of the combined Company
- The go-forward business will continue to provide a cutting-edge technology platform while maintaining the application programming interfaces (APIs) currently used by existing customers
- Additionally, the combined support organizations will offer Exegy's leading global service automation and delivery technology

#### **Significance of Transaction**

- Exegy and Vela both provide flagship solutions for market data normalization and distribution as each company delivers highly complementary capabilities within the trading technology ecosystem
- Marlin has merged the two companies to create an end-to-end provider of premier market data solutions and managed services with the capability to deliver normalized real-time market data from exchanges to both buyside and sell-side organizations

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Exegy
- This transaction underscores FT Partners' deep domain expertise in Capital Markets Technology, as well as our successful track record in generating highly favorable, category-defining outcomes for our clients

## Financial Technology Partners LP

is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to





### FT Partners Advises Imagine Software on its Sale to Francisco Partners

#### **Overview of Transaction**

- On May 3, 2021, Francisco Partners announced the combination of Imagine Software, a real-time risk and compliance software platform, and TradingScreen, a provider of trading execution and order management software
- The combined company, TS Imagine, will be a dynamic end-to-end trading and portfolio management software platform for connecting the investment management industry with a network of brokers, banks and exchanges
- TS Imagine will have approximately 400 employees in 10 offices worldwide, serving approximately 500 global buy-side and sell-side institutions across North and South America, EMEA, and Asia Pacific including hedge funds, traditional asset managers, pension funds, mutual funds, and financial institutions

#### Significance of Transaction

- The combination creates one of the most robust SaaS cloud-based software
  platforms in capital markets and investment management, bringing integrated
  and complete front office solutions, complementary product capabilities, best-inclass technology, global geographic coverage, and deep expertise to better
  serve investment firms and financial institutions around the world
- The company is uniquely positioned to address complex and time-consuming workflows in the front, middle and back offices, unifying order management, trade execution, portfolio analytics, real time risk compliance, accounting, and operations

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Imagine Software
- This transaction underscores FT Partners' deep domain expertise in Capital Markets Technology, as well as our successful track record in generating highly favorable, category-defining outcomes for our clients

## Financial Technology Partners LP

is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to





## FT Partners Advises Clearpool on its Sale to BMO

#### **Overview of Transaction**

- On January 22, 2020, Bank of Montreal (BMO) announced that it had signed an
  agreement to acquire 100% of the outstanding shares of Clearpool Group
  ("Clearpool"), an Algorithmic Management System transforming electronic
  trading with a fully customizable suite of trading tools
- Headquartered in New York, Clearpool empowers market participants by providing greater transparency, efficiency and control through next generation trading technology
- Clearpool's solution provides total visibility and control, from strategy to execution, through its cloud-based algorithmic management system, execution and analytics portals
- Bank of Montreal (TSX, NYSE: BMO) is a highly diversified financial services provider based in North America

#### **Significance of Transaction**

 BMO's electronic platform (Capital Markets, Securities and Equity) has a successful, fast-growing trading business in Canada, and adding Clearpool's capabilities in algorithmic management will allow BMO to deliver next-gen trading technology to its global client base

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Clearpool
- The transaction underscores FT Partners' successful track record generating highly favorable outcomes for Capital Markets Technology companies
- This transaction also highlights FT Partners' expertise in bringing our clients together with world class strategic investors and acquirers

## Financial Technology Partners LP

is pleased to announce its exclusive role as strategic and financial advisor to



on its sale to





### FT Partners Advises BlackRock on its Acquisition of FutureAdvisor

#### Overview of Transaction

- On August 26, 2015, BlackRock (NYSE: BLK) announced a definitive agreement to acquire 100% of FutureAdvisor
- FutureAdvisor is a leading digital wealth management platform with technology-enabled investment advice capabilities
- BlackRock offers investment management, risk management and advisory services to institutional and retail clients worldwide and has over \$4.7tn in assets under management
- Following the transaction, FutureAdvisor will operate as a business within BlackRock Solutions ("BRS"), BlackRock's investment and risk management platform
- The transaction is expected to close in Q4 2015

#### **Significance of Transaction**

- Combines FutureAdvisor's tech-enabled advice capabilities with BRS' investment and risk management solutions
- Enables BlackRock to provide a B2B digital advice platform, which helps financial institution partners both improve their clients' investment experiences and grow advisory assets
- Empowers partners to meet the growing demand among consumers to engage with technology to gain insights on their investment portfolios
  - Demand is particularly strong among the mass-affluent, who account for  $\sim$ 30% of investable assets in the U.S.

#### FT Partners' Role

- FT Partners served as exclusive advisor to BlackRock
- Highlights FT Partners' continued success advising a broad range of toptier strategic investors across the financial technology landscape

## FTP Securities LLC

is pleased to announce its exclusive role as advisor to

## **BlackRock**

in its 100% acquisition of





### FT Partners' Recent Awards and Recognition

## **Bloomberg**

#### **Bloomberg**

- o FT Partners' Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- o View the full article and watch the live TV interview



#### **M&A Advisor Awards**

- Technology Deal of the Year (2019)
- o Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) Steve McLaughlin, CEO & Managing Partner of FT Partners
- o Investment Banking Firm of the Year (2016) FT Partners



### **LendIt FinTech Industry Awards 2018:**

o FT Partners wins Top Investment Bank in FinTech

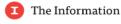
## Institutional Investor





#### The FinTech Finance 40:

Steve McLaughlin ranked #1 in 2017 and 2018

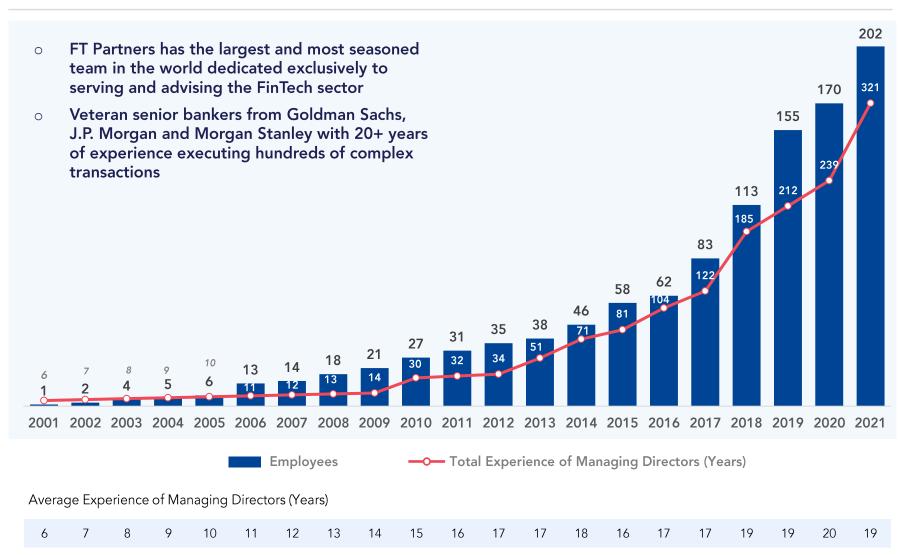




### The Information's "Silicon Valley's Most Popular Dealmakers"

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- o Only FinTech focused investment banking firm and banker on the list

### The Largest FinTech Advisory Practice in the World



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