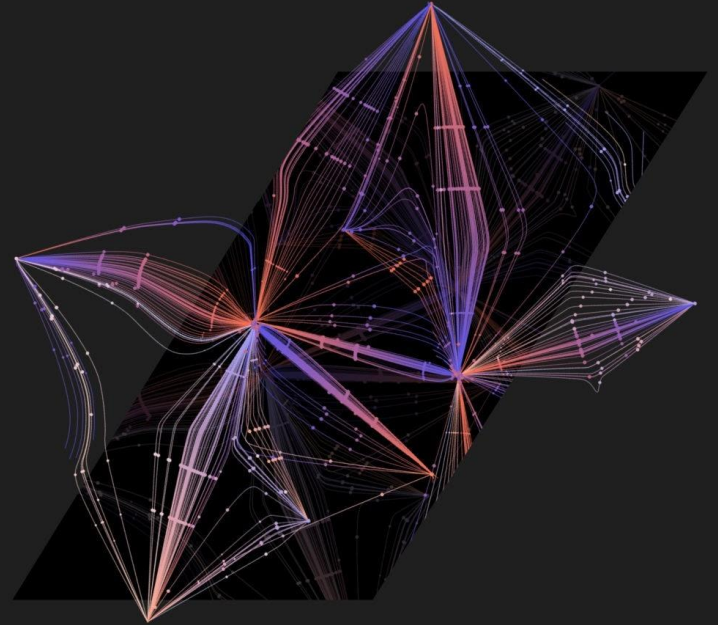


F/PRIME

State of Fintech

2022

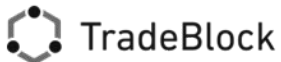




About F-Prime Capital

We create and invest in technology and healthcare companies that impact lives all over the world.

We have over 300 companies in our portfolio including 23 that we started. Our global portfolio spans the US, Europe, and Asia.



50+ years

of investing in iconic companies -
from Atari to Alibaba to AppsFlyer

300+ companies

Fintech, Enterprise software, and
Healthcare

100+ investors

Our global platform has resources
and expertise in North America,
Europe, China, Japan, India, and
Israel

\$11B+ AUM

Along with our international sister
fund Eight Roads Ventures, we are
dedicated to supporting fearless
founders around the globe

Note: Above listing is a sample of companies in the F-Prime and Eight Roads portfolio



Wealth & Asset Management (WAM)

More accessible than ever

Digitalization, gamification, and commission-free trading has made investing more accessible than ever to retail investors

Generational shifts

As new generations amass and inherit wealth, they are bringing with them a new set of expectations and preferences

The rise of new alts

Allocation to alternative assets is on the rise for both “traditional alts” and emerging asset classes like crypto, art, and collectibles

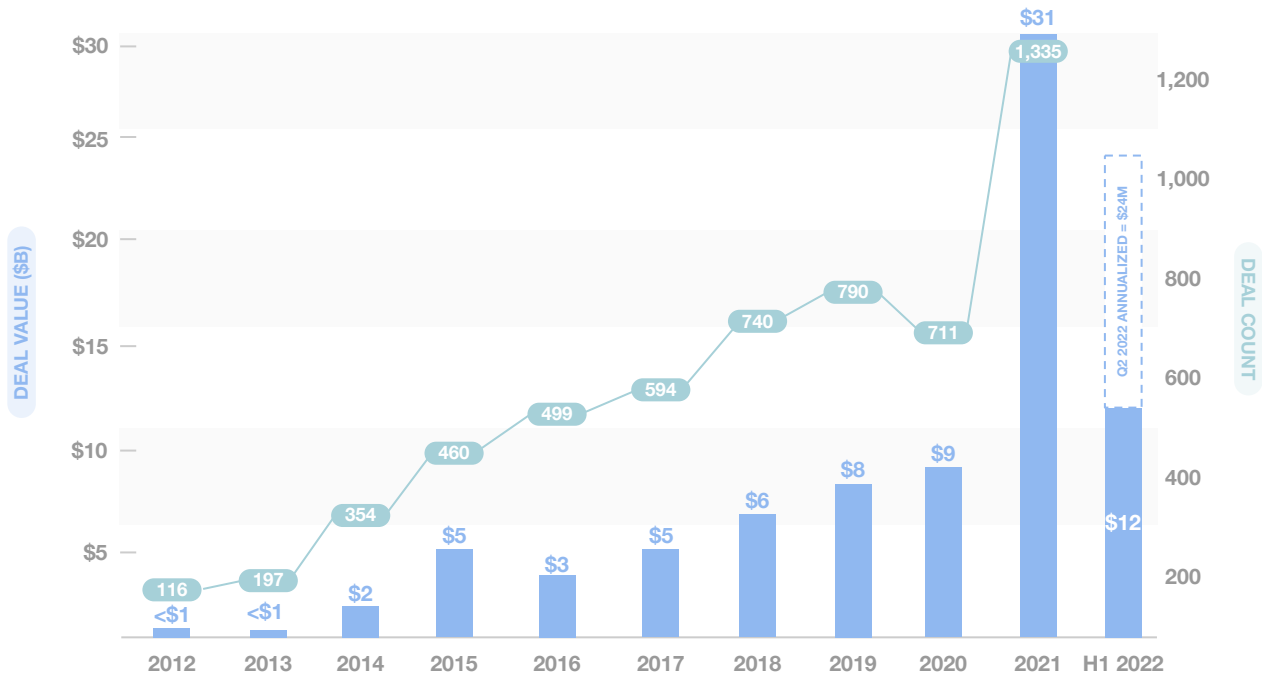


Credit: European Business Review



Wealth & Asset Management overview

Global fintech VC investment breakdown by vertical: WAM



Source: PitchBook, F-Prime team analysis

70
Unicorns


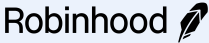



3,500+
Companies

\$84B
Raised since 2012

\$103B
Top 10 valuation

WAM has seen multiple IPOs and \$1B+ acquisitions over the last few years

Top wealth & asset management IPOs

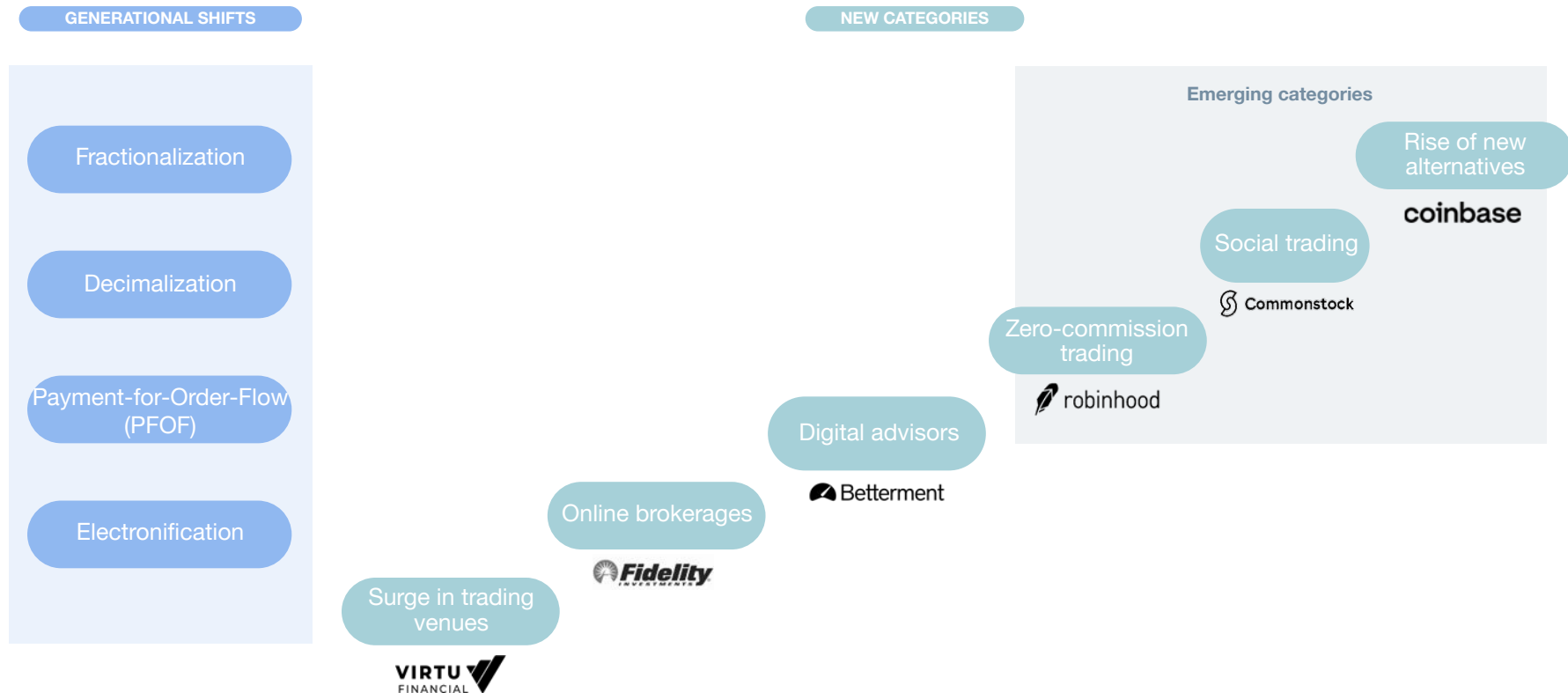
COMPANY	VALUATION (\$B)	DATE
 coinbase	\$85.8	2021
 Robinhood	\$32.0	2021
 VIRTU FINANCIAL	\$2.6	2015
 intapp.	\$1.5	2021
 INVESTNET	\$0.3	2010

Top wealth & asset management M&A

TARGET / ACQUIRER	VALUATION (\$B)	DATE
 Ameritrade <i>charles</i> SCHWAB	\$22.0	2020
 E*TRADE Morgan Stanley	\$13.0	2020
 wealthfront  UBS	\$1.4	Announced
 superhero YOUR MONEY. YOUR MOVE.  swyftx	\$1.1	2022
 personal CAPITAL  EMPOWER RETIREMENT	\$1.0	2020

Source: PitchBook, F-Prime team analysis

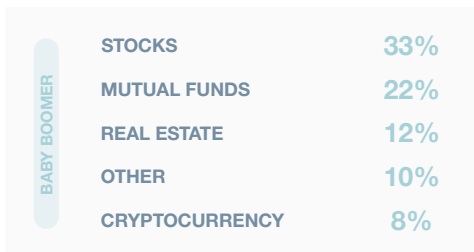
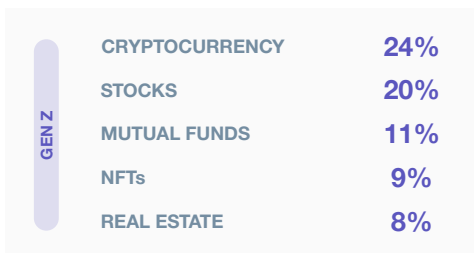
The recent growth in wealth management is the culmination of profound changes in the industry over the last two decades



Generational shifts in wealth management were already underway prior to the pandemic

Expected returns drive younger investors' interest in new alternative assets

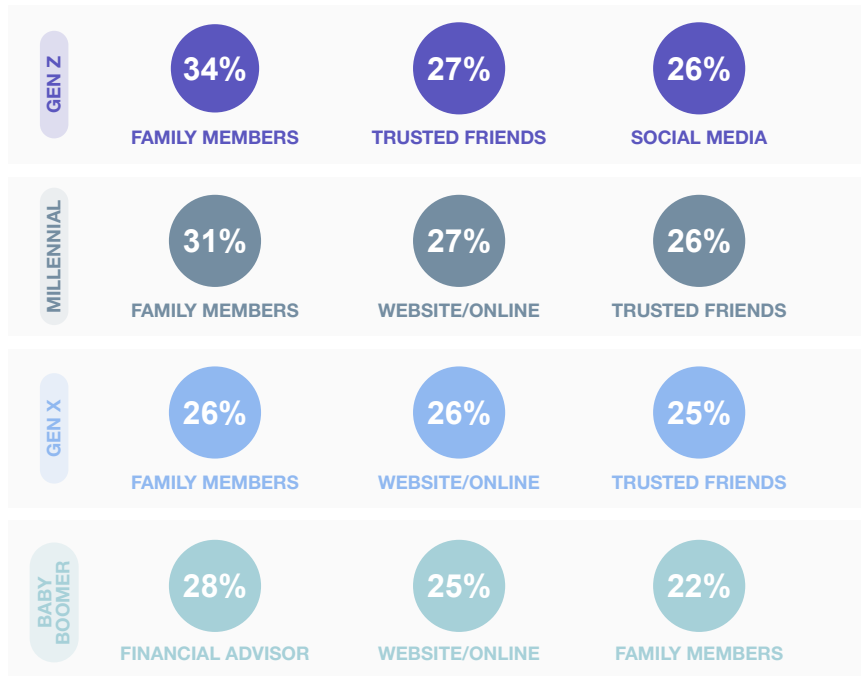
Where do you expect the greatest return on your investments over the next 10 years?



Social media is increasingly influencing younger investors' expectations & preferences

Where do you receive most of your financial advice?

TOP 3 RESPONSES




Source: 2022 Investopedia Financial Literacy Study, National Association of Personal Financial Advisors

Robinhood ignited a generation by altering retail investors' behavior with active trades while offering a more intuitive, gamified user experience

ON WHICH PLATFORM DO YOU EXECUTE YOUR TRADES?

BROKERAGE

% OF GEN-Z RESPONDENTS

 robinhood **64%**

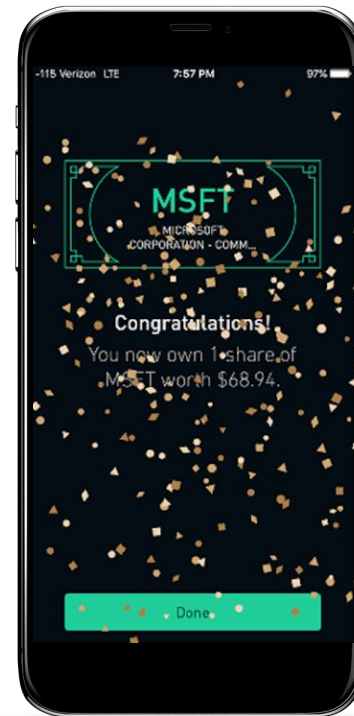
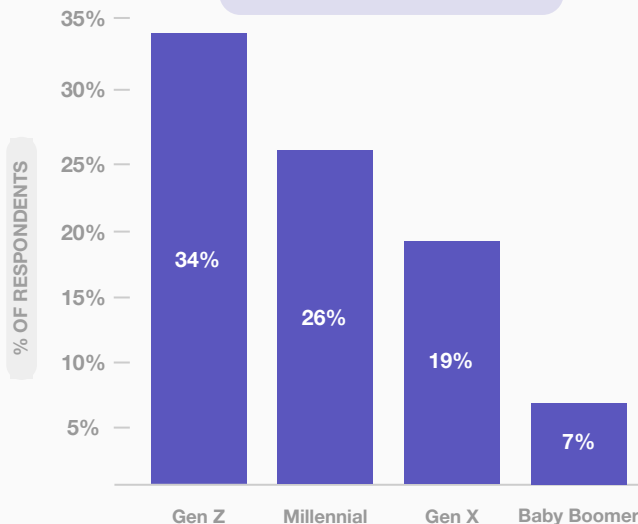
Vanguard® **38%**

 **Fidelity** **29%**

ally **29%**

HOW OFTEN DO YOU MAKE INDIVIDUAL TRADES?

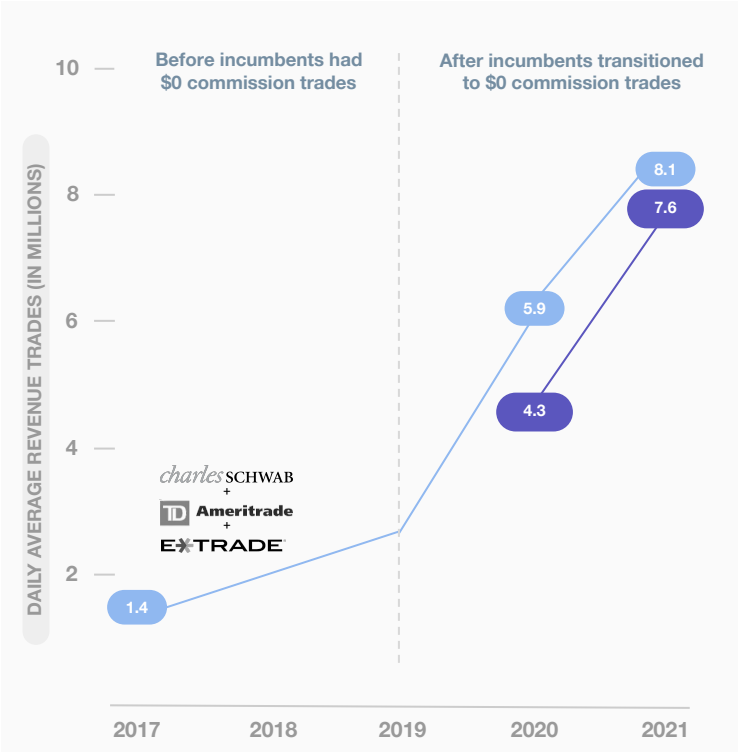
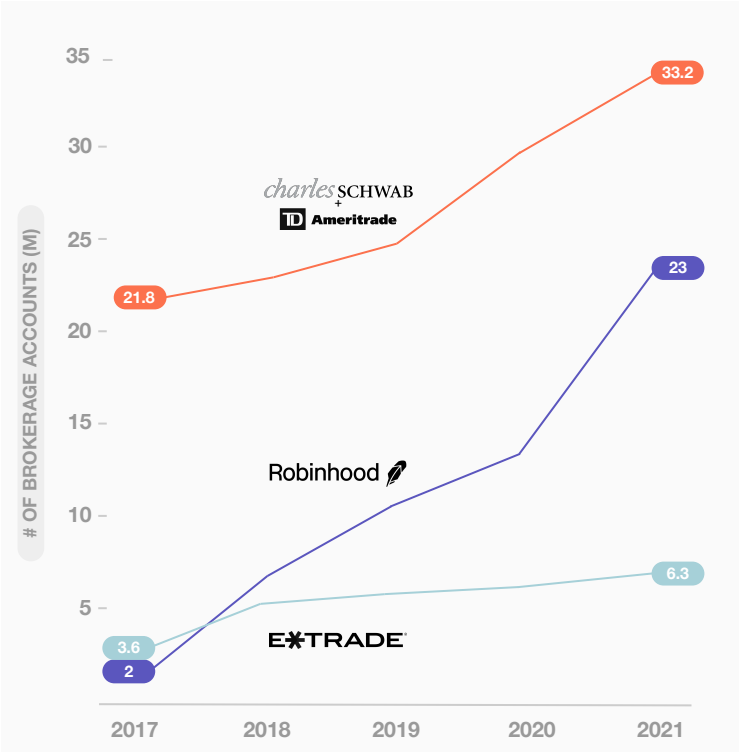
I MAKE TRADES A FEW TIMES A WEEK



Source: [Nasdaq](#), Robinhood via Wallet Hacks



Fuel was added to the fire when incumbents embraced Robinhood's commission-free trading followed by the pandemic tailwinds



Robinhood generated **\$1.4B** from PFOF in 2021

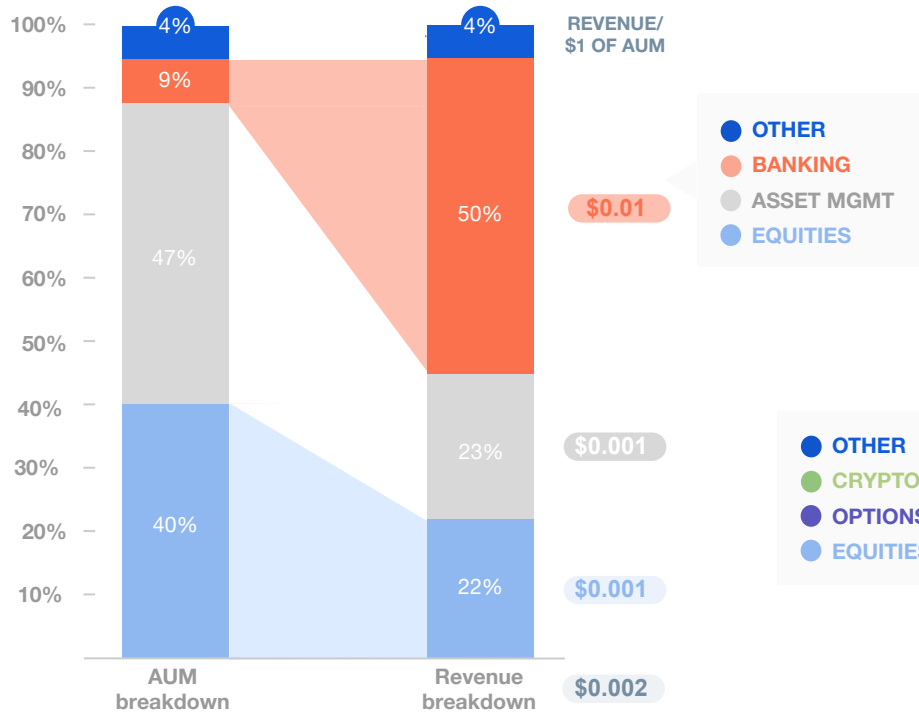
3x growth in incumbent trading volume

Source: Company 10Ks, Insider Intelligence, F-Prime team analysis

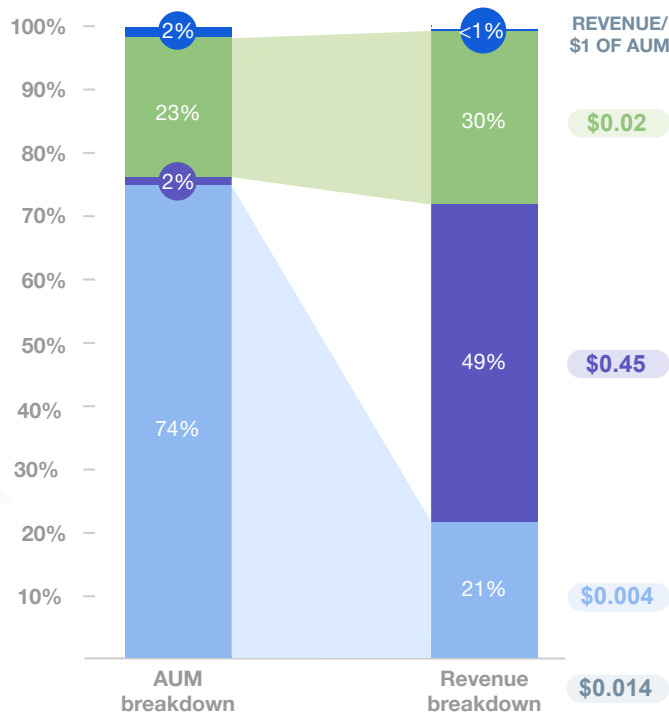
Robinhood  Incumbents (Charles Schwab, TD Ameritrade, and E*Trade)

Compared to incumbents, Robinhood has a very different revenue profile and generates higher revenue per \$1 of AUM by offering crypto & options trading

Charles Schwab looks more like a bank



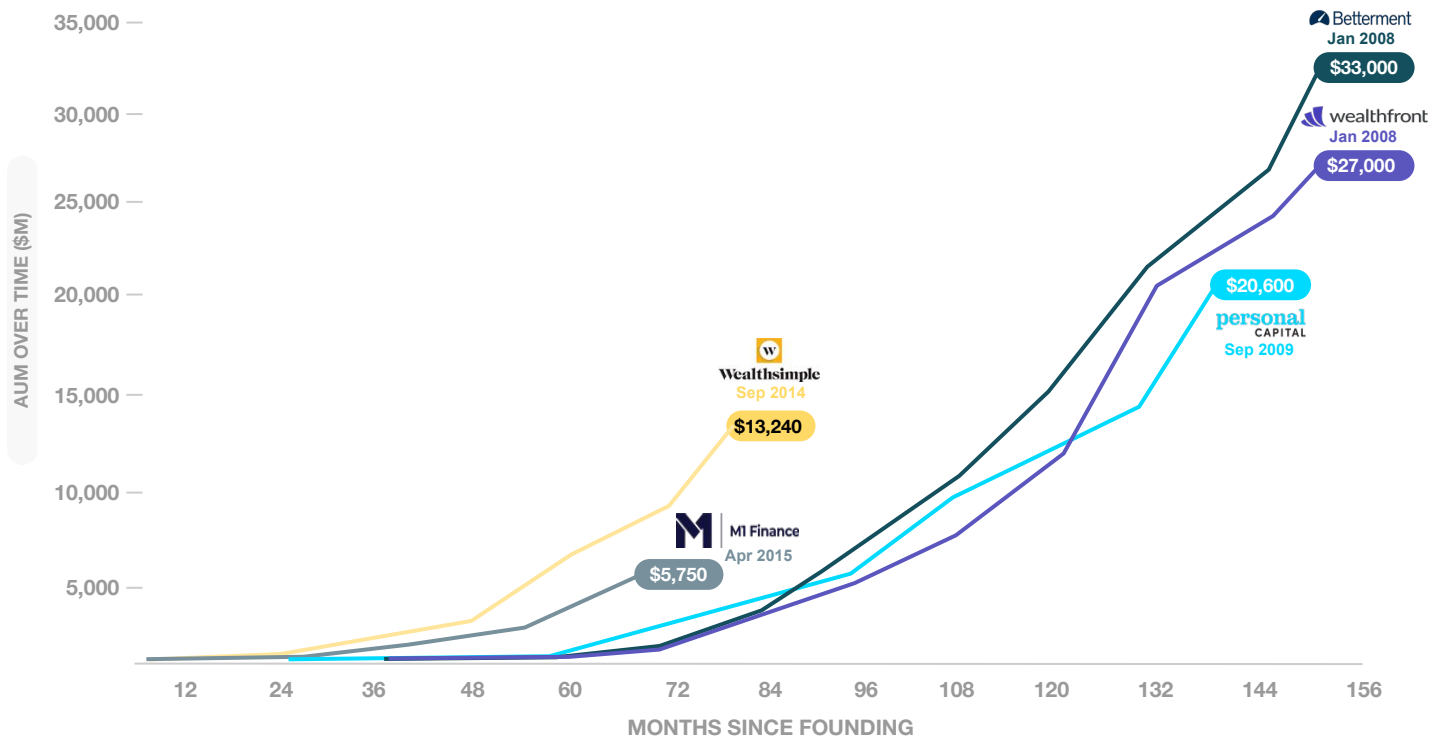
Robinhood looks more like a diversified trading platform



Source: Company 10Ks; F-Prime team analysis

7x revenue earned / \$1 AUM

Meanwhile, robo-advisors have also seen steady growth and have now reached significant scale, earning their place among the fastest growing RIAs



Source: Company 10Ks, media reports, [Forbes](#), F-Prime team analysis

Wealthsimple U.S

EXIT VALUE ACQUIRER
\$500M Betterment

personal
CAPITAL

EXIT VALUE ACQUIRER
\$1.0B EMPOWER
RETIREMENT

wealthfront
















EXIT VALUE ACQUIRER
\$1.4B UBS

~\$350B

AUM for top 10
robo-advisors



A wave of new wealth players have also emerged to address the shifts in generational attitudes

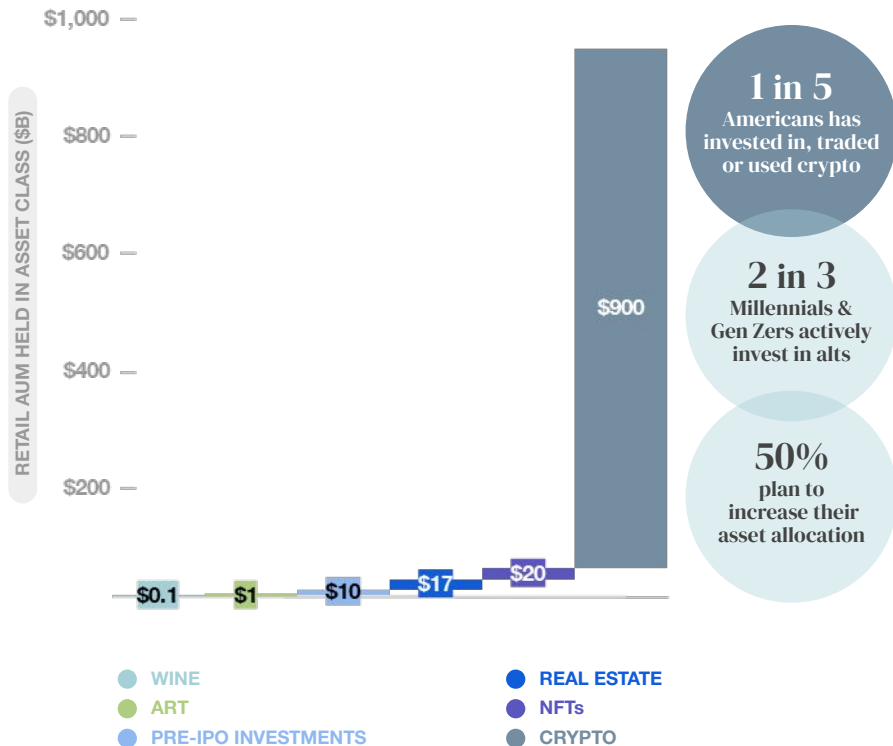
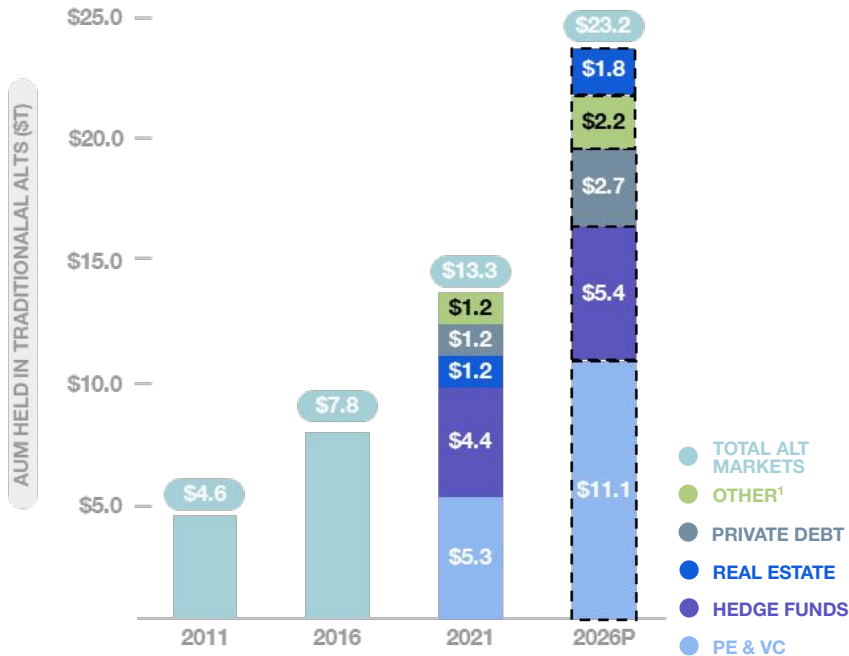
THEME	PLAYERS		
SOCIAL TRADING	 public.com	 Commonstock	 QURE
NEXT-GENERATION ASSET MANAGEMENT	 Titan	 DOMAIN MONEY	 NDVR
EMERGING ALTERNATIVES	 MASTERWORKS	 CS CROWDSTREET	 Vint
ESG	 OpenInvest	 pebble	 CIVEX
GAMIFICATION	 acorns	 digit	 LONG GAME



As we look ahead, we see a decade-long rise in alternative assets as they continue to capture U.S. retail interest

Traditional alts targeting institutions & HNWIs have grown rapidly to more than \$13T...

...while a new wave of alternatives (crypto, art, collectibles) are capturing retail interest



1 in 5
Americans has
invested in, traded
or used crypto

2 in 3
Millennials &
Gen Zers actively
invest in alts

50%
plan to
increase their
asset allocation

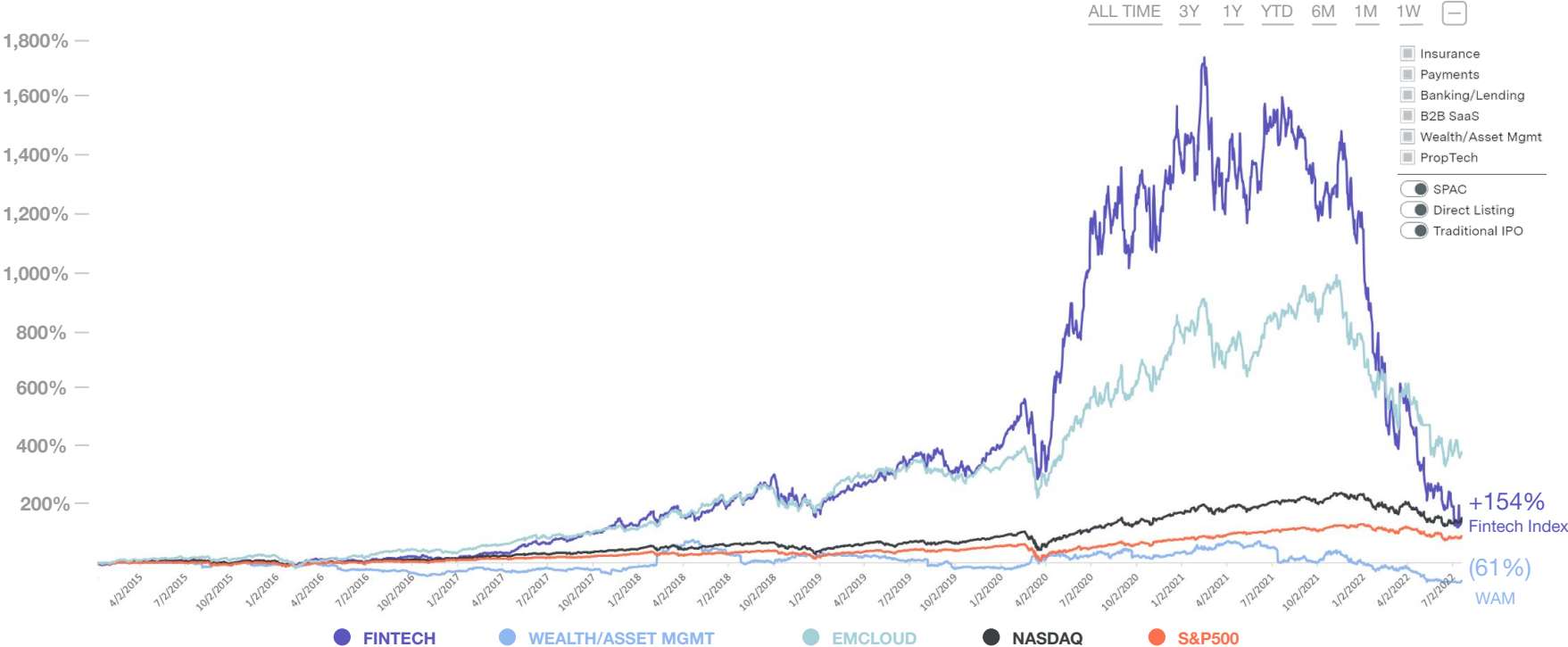
Source: [Preqin](#), [McKinsey](#), [Pew Research Center](#), [NBC](#), [Fundrise](#)

Note: Data on right as of March 31st, 2022

1. Includes infrastructure and natural resources



Along with the broader tech market, fintech performance fell in the first half of 2022 Wealth and asset management stock performance even lower



Source: [F-Prime Fintech Index](#)

Dynamic wealth management trends we are tracking

The Great Wealth Transfer

Millennials seek advice and consume content differently; opportunities to deliver personalized advice at scale



New Investor Tools

Tax infrastructure, automated investing, wealth planning, yield farming, options, high-frequency trading, digital onboarding, etc.



Rise of Emerging Alts

New asset classes are creating a need for new investor tools, discovery & aggregation



Silver Wealthtech

Still a large generation and now in need of tools for wealth deaccumulation, health/wealth trade-offs, and retirement gap



Democratization Infrastructure

Core infrastructure and distribution tools for new asset managers to access retail markets



Growth of Global Investor Base

Emerging markets give birth to fastest growing investor base





David Jegen
Managing Partner, Tech Fund



John Lin
Principal



Abdul Abdirahman
Senior Associate



Sarah Lamont
Associate



Amrit Ramesh
Data Scientist

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