



Wealthsimple

Our mission is to help everyone achieve financial freedom.
- Michael Katchen, CEO



WEALTHSIMPLE: Situation Overview

COMPANY

Offers wider range
of products

Educational
Content

VALUES

Focus on the
client

Ship it, then
improve it

GOALS

Cost less
for users

Win trust

Introduction

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Risks

Conclusion

Q&A



Meet the Team



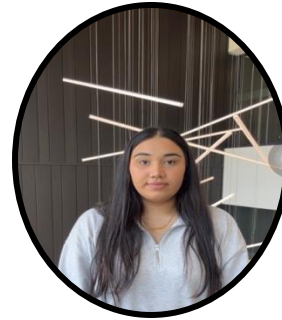
Naunidh
Singh



Ethan
Linares



Isher
Sian



Jasmeen
Chahal



Vishnujan
Shanmugalingam



Kenny
Chu

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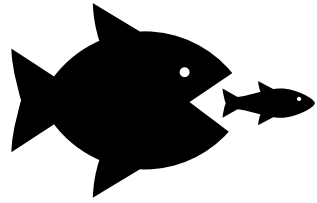
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Current Situation



Rivalry

- Threat of substitution
- Need for differentiation¹



CAC

- \$200 via digital channels
- \$50 Referral costs



Financial literacy

- 36% of Gen Z feel they will never be financially secure
- Wealthsimple wants to be a trusted source of info



Offer advanced trading courses through short video lectures, complemented with an integrated TMX Trading software.

Foster financial literacy for Gen-Z



Reduced Customer Acquisition Costs



Positive Payback



Objective: Create a large enough engagement level to achieve critical mass while putting students on a better path in their financial journey

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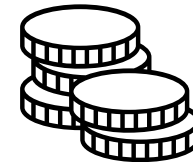
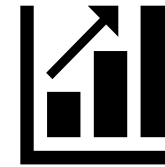
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Enhancing Gen Z Financial Literacy with Online Courses and TMX Paper Trading Software.

- Trade risk free bridging the gap between theoretical knowledge and real-world application²
- Test trading strategies in a simulated environment fostering a deeper understanding and capability in financial decision-making.



Key Takeaway: Allow Gen-Z to make better financial decisions while using the right financial tools to invest

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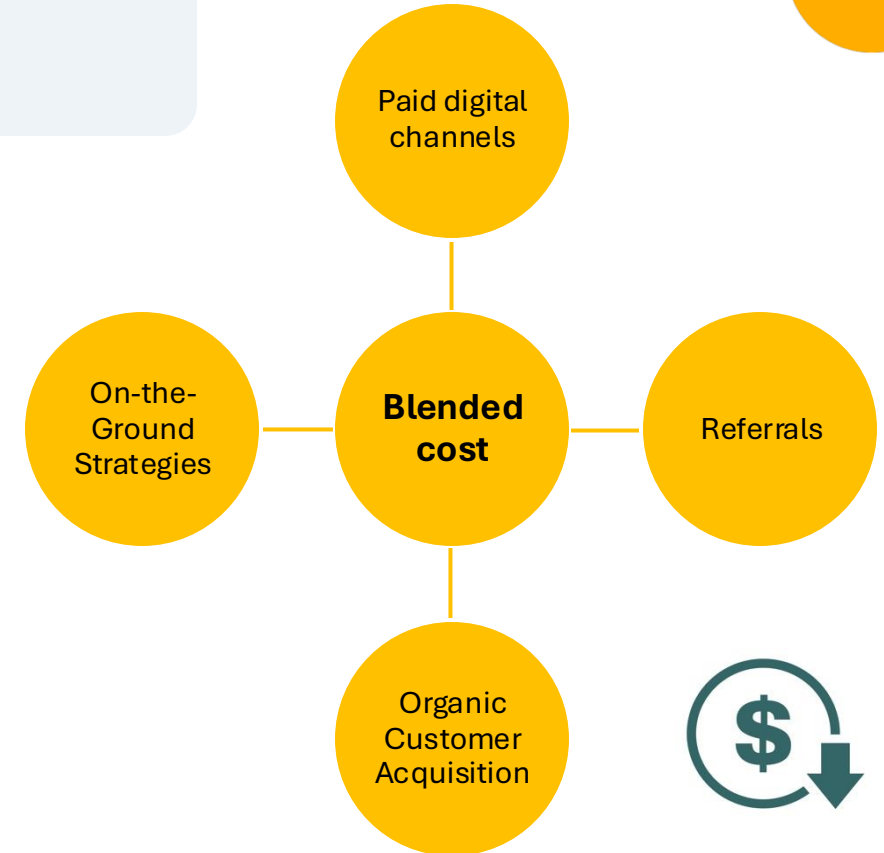
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Leveraging the Cash app to offer advanced trading courses and TMX Trading software

- Attract and retain Gen Z users more effectively, while reducing the overall cost of acquisition
- Blended customer acquisition cost is projected to drop significantly from \$125 to \$60 per client



Key Takeaway: Reduced blended acquisition cost for Wealthsimple.

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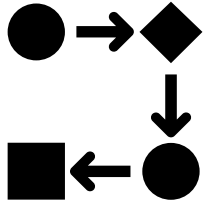
Q&A

Creating a large engagement that acquires students for a positive payback.



Gen-Z

- Gen-z avoid choices which involve high risk³
- 43% Worried they won't make enough money to be happy



Engagement

- Value added services for novice and experienced users
- More likely to explore and utilize other offerings⁴



Effects

- Alleviate financial anxieties
- Exhibit F

Total First Year Revenue: \$1,805,000

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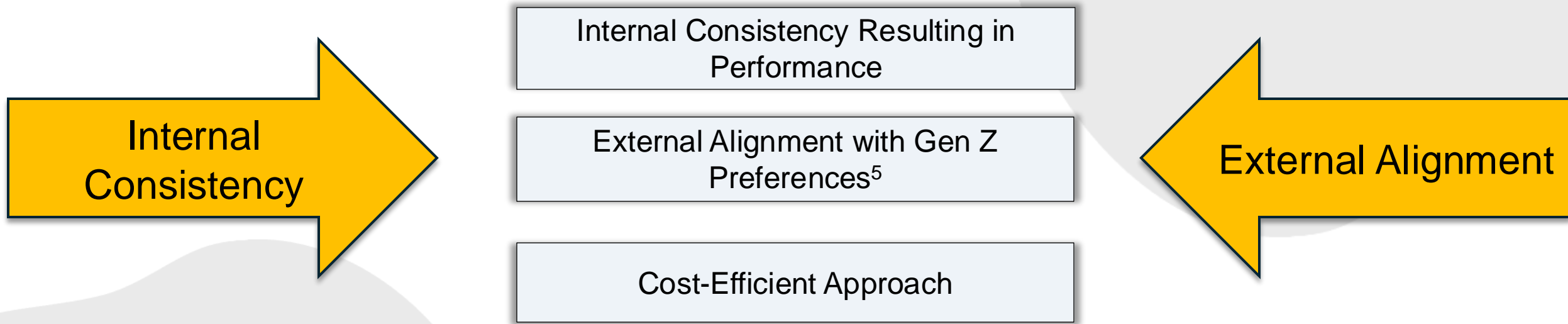
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Internal Consistency and External Alignment



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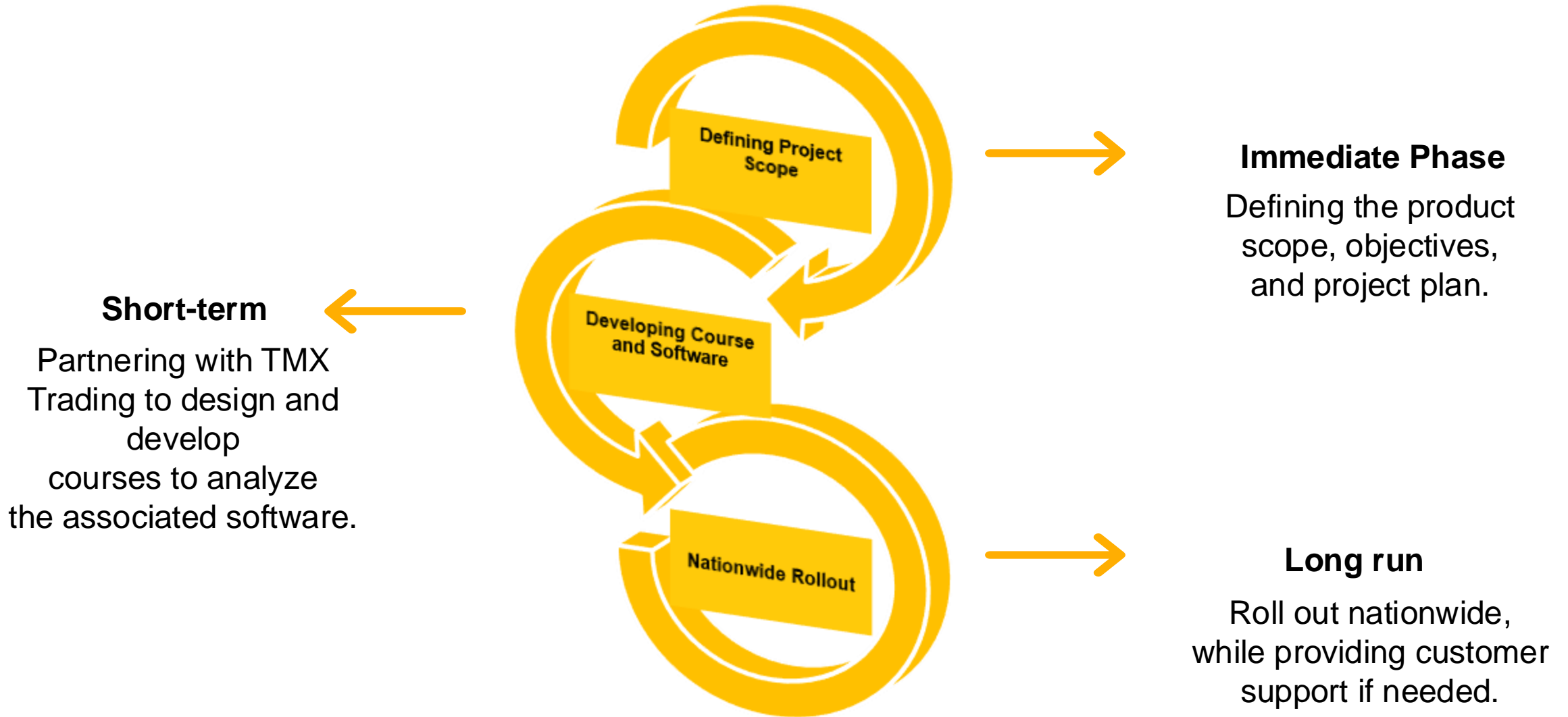
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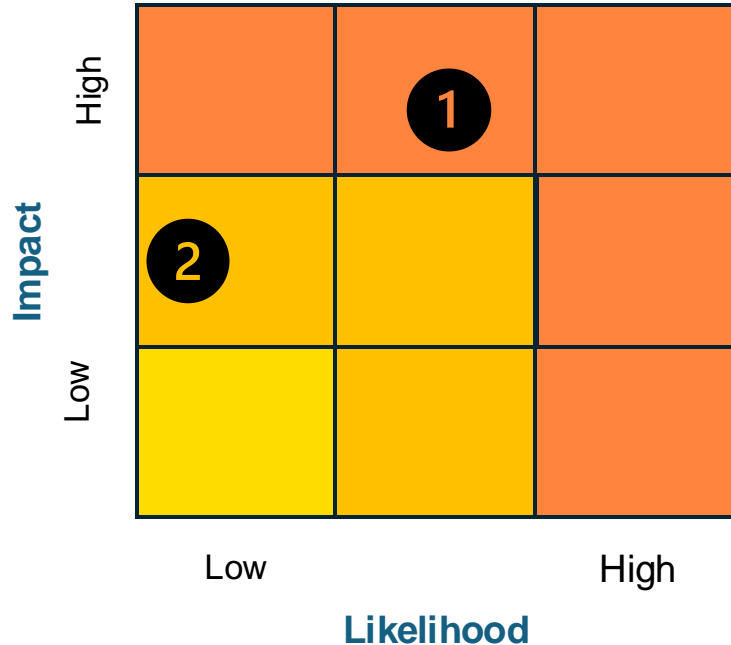
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Implementation plan



Risk and Contingency Plan



RISK	CONTINGENCY
1) Potential failure of partnership with TMX	Partner with other trading software providers and have backup plan to integrate another trading software.
2) Poor quality of advanced trading courses	Develop and maintain a small in-house team to improve and update course content.



Conclusion



- ➔ **Creates Differentiation for Wealthsimple**
- ➔ **Ensures revenue growth and increases cross selling opportunities.**
- ➔ **Creates trust between Gen-Z and Wealthsimple**

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Appendix Map



Appendix A: Wealthsimple V.S. Competitors (value analysis).



	Wealthsimple	Interactive Brokers	Robinhood
Description	Developer of a financial advisory and trading platform intended to assist users in achieving financial freedom by providing products and advice that are accessible and affordable.	Operator of a brokerage firm offering online trading solutions for traders, investors and advisors, with direct global access to stocks, options, futures, currencies, bonds and funds.	Developer of financial analytics and investment platform committed to synergizing technology with finance.
Primary Industry	Brokerage	Brokerage	Financial Software
HQ Location	Toronto, Canada	Greenwich, CT	San Francisco, CA
Employees	1,680 (2021)	2,361 (2024)	840 (2024)
Total Raised	\$475.5M	\$1.2B	\$351.6M
Post Valuation	\$4.0B (10-May-2021)	\$1.23B (14-May-2007)	\$1.68B (17-Feb-2021)

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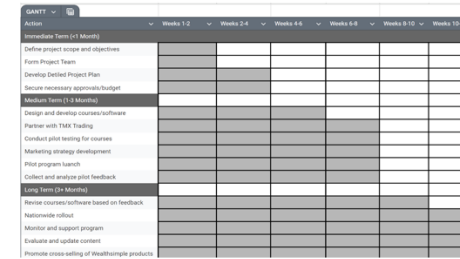
Appendix B: Benefits of leveraging cash app



Acquisition Channel	Current CAC (per client)	Expected CAC
Paid Digital Channels	\$200	\$100 (Advanced courses and TMX Trading software reduce the need for costly marketing campaigns.)
Referrals	\$50	\$30 (Advanced courses and TMX Trading software reduce the need for costly marketing campaigns.)
On-the-Ground Strategies	\$20	\$15 (On-ground events featuring advanced courses and TMX Trading software lower client acquisition costs)
Organic Customer Acquisition	\$0	\$0
Blended Cost	\$125	\$60 (Blended cost drops)

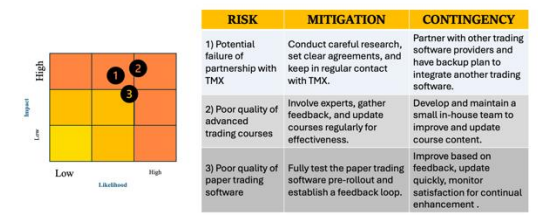
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Appendix C: Gantt Chart



Appendix C: Gantt Chart

Appendix D: Risk heat map with mitigation and contingency strategies



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Appendix A: Wealthsimple VS Competitors

Appendix B: Benefits of Leveraging Cash App

Appendix E: Positive payback(Key Assumptions)



Key Assumptions	Details
Account Management Fees	0.5% for accounts up to \$100,000, 0.4% for accounts above \$100,000(Wealthsimple, n.d.)
Currency Conversion Fees (USD accounts)	1.5% on CAD and USD conversions(Wealthsimple, n.d.)
User Acquisition Estimates	Assumption:150,000 new users per year (5% of existing 3 million users), 20,000 referral users per year
Average Portfolio Size	Assumption: \$10,000
Percentage of Users Converting Currency	Assumption: 30%
Average Conversion Amount	Assumption: \$1,000
Percentage of Users Subscribing to Premium Services	Assumption:10%
Premium Service Fee	\$10/month(Wealthsimple, n.d.)

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Appendix E: Positive Payback

Appendix F: Revenue Projections



Revenue	Details	Amount (Per year)	Cost Projections	Details	Amount (per year)
Account Management Fee Revenue (New Users)	150,000 users * \$10,000 * 0.5%	\$7,500,000	Customer Acquisition Costs	150,000 users * \$60(new cost)	\$9,000,000
Account Management Fee Revenue (Referral Users)	20,000 users * \$10,000 * 0.5%	\$1,000,000	Development and Maintenance Costs	Estimated: \$500,000 per year	\$500,000
Currency Conversion Fee Revenue	\$1,000 users * \$1,000 * 1.5%	\$765,000	Total Costs	\$9,000,000 + \$500,000	\$9,500,000
Premium Services Revenue	17,000 users * \$10 * 12	\$2,040,000	Profit	(Total Projected Revenue - Total Costs) \$11,205,000 - \$9,500,000	\$1,805,000
Total Projected Revenue	\$7,500,000 + \$1,000,000 + \$765,000 + \$2,040,000	\$11,305,000			

Note: The above calculations provide an estimated revenue, which could be significantly higher, excluding potential crypto investment customers.

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Appendix F: Revenue Projections

Appendix G: Why TMX?



Why	Strengths	Weaknesses
➤ Stock market simulators can be excellent tools for those starting out in the investing world	➤ The simulator is easy and free to use with an extremely clean interface.	➤ The quotes have a 15-minute delay instead of working in real-time, but that doesn't really matter in a simulator position
➤ Allow new investors to practice stock trading without putting their financial wellbeing at risk.	➤ appropriate for anyone starting an investment journey or who wants to learn more complex techniques like options trading.	

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Appendix G: Why TMX?

Appendix H: SWOT ANALYSIS



Strengths	Weaknesses	Opportunities	Threats
➤ Established Brand and User-Base	➤ High Dependence on ICT Suppliers	➤ Growing Fintech Market:	➤ Intense Competitive Rivalry
➤ Comprehensive Product Offering	➤ Limited Differentiation	➤ Cross-Selling Potential:	➤ Regulatory Challenges
➤ User-Friendly Platform			➤ Risk of Substitution:
➤ Low Customer Acquisition cost through cash app			

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Appendix H: SWOT Analysis

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Appendix A: Wealthsimple V.S. Competitors (Value Analysis)⁶



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Employees	1,000 2022	2,951 2024	846 2024
Total Raised	\$875.63M	\$1.20B	\$351.68M
Post Valuation	\$4.00B 03-May-2021	\$1.21B ^E 04-May-2007	\$3.60B 17-Feb-2021

Appendix B: Benefits of Leveraging Cash App



Acquisition Channel	Current CAC (per client)	Expected CAC
Paid Digital Channels	\$200	\$100 (Advanced courses and TMX Trading software reduce the need for costly marketing campaigns.)
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Appendix C: Detailed Gantt Chart



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Action	Weeks 1-2	Weeks 2-4	Weeks 4-6	Weeks 6-8	Weeks 8-10	Weeks 10-12
Immediate Term (<1 Month)						
Define project scope and objectives						
Form Project Team						
Develop Detailed Project Plan						
Secure necessary approvals/budget						
Medium Term (1-3 Months)						
Design and develop courses/software						
Partner with TMX Trading						
Conduct pilot testing for courses						
Marketing strategy development						
Pilot program launch						
Collect and analyze pilot feedback						
Long Term (3+ Months)						
Revise courses/software based on feedback						
Nationwide rollout						
Monitor and support program						
Evaluate and update content						
Promote cross-selling of Wealthsimple products						

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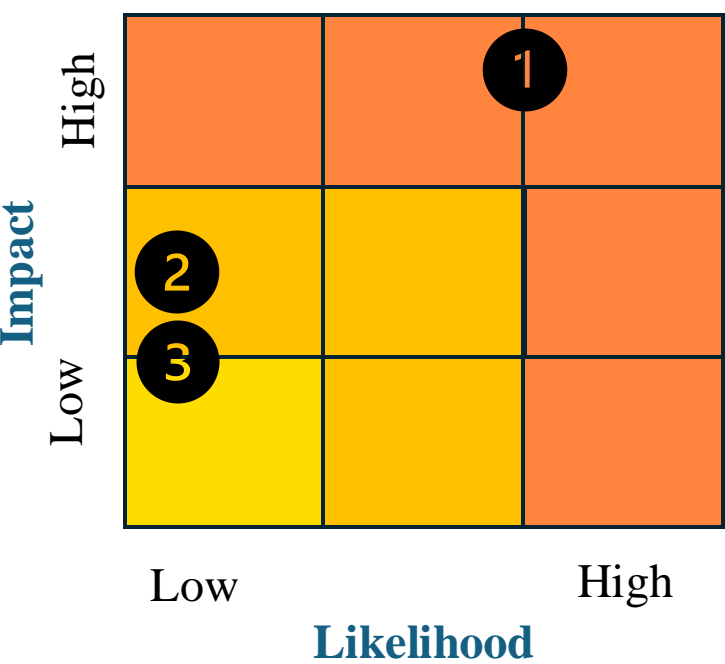
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RISK	MITIGATION	CONTINGENCY
1) Potential failure of partnership with TMX	Conduct careful research, set clear agreements, and keep in regular contact with TMX.	Partner with other trading software providers and have backup plan to integrate another trading software.
2) Poor quality of advanced trading courses	Involve experts, gather feedback, and update courses regularly for effectiveness.	Develop and maintain a small in-house team to improve and update course content.
3) Poor quality of paper trading software	Fully test the paper trading software pre-rollout and establish a feedback loop.	Improve based on feedback, update quickly, monitor satisfaction for continual enhancement .

Appendix E: Positive Payback (Key Assumptions)⁷



Key Assumptions	Details
Account Management Fees	0.5% for accounts up to \$100,000, 0.4% for accounts above \$100,000(Wealthsimple, n.d.)
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Account Management Fee Revenue (Referral Users)	20,000 users * \$10,000 * 0.5%	\$1,000,000
Currency Conversion Fee Revenue	51,000 users * \$1,000 * 1.5%	\$765,000
Premium Services Revenue	17,000 users * \$10 * 12	\$2,040,000
Total Projected Revenue	\$7,500,000 + \$1,000,000 + \$765,000 + \$2,040,000	\$11,305,000

Cost Projections	Details	Amount (per year)
Customer Acquisition Costs	150,000 users * \$60(new cost)	\$9,000,000
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Total Costs	\$9,000,000 + \$500,000	\$9,500,000
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Why?	Strengths	Weaknesses
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<ul style="list-style-type: none">➤ Established Brand and User-Base➤ Comprehensive Product Offering➤ User-Friendly Platform➤ Low Customer Acquisition cost through cash app	<ul style="list-style-type: none">➤ High Dependence on ICT Suppliers➤ Limited Differentiation	<ul style="list-style-type: none">➤ Growing Fintech Market:➤ Cross-Selling Potential:	<ul style="list-style-type: none">➤ Intense Competitive Rivalry➤ Regulatory Challenges➤ Risk of Substitution



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