DriveWealth

March 2020

About our company

CHATHAM, NJ

Headquarters

JERSEY CITY, NJ

Technology Office

POINT72 VENTURES

SBI BITS

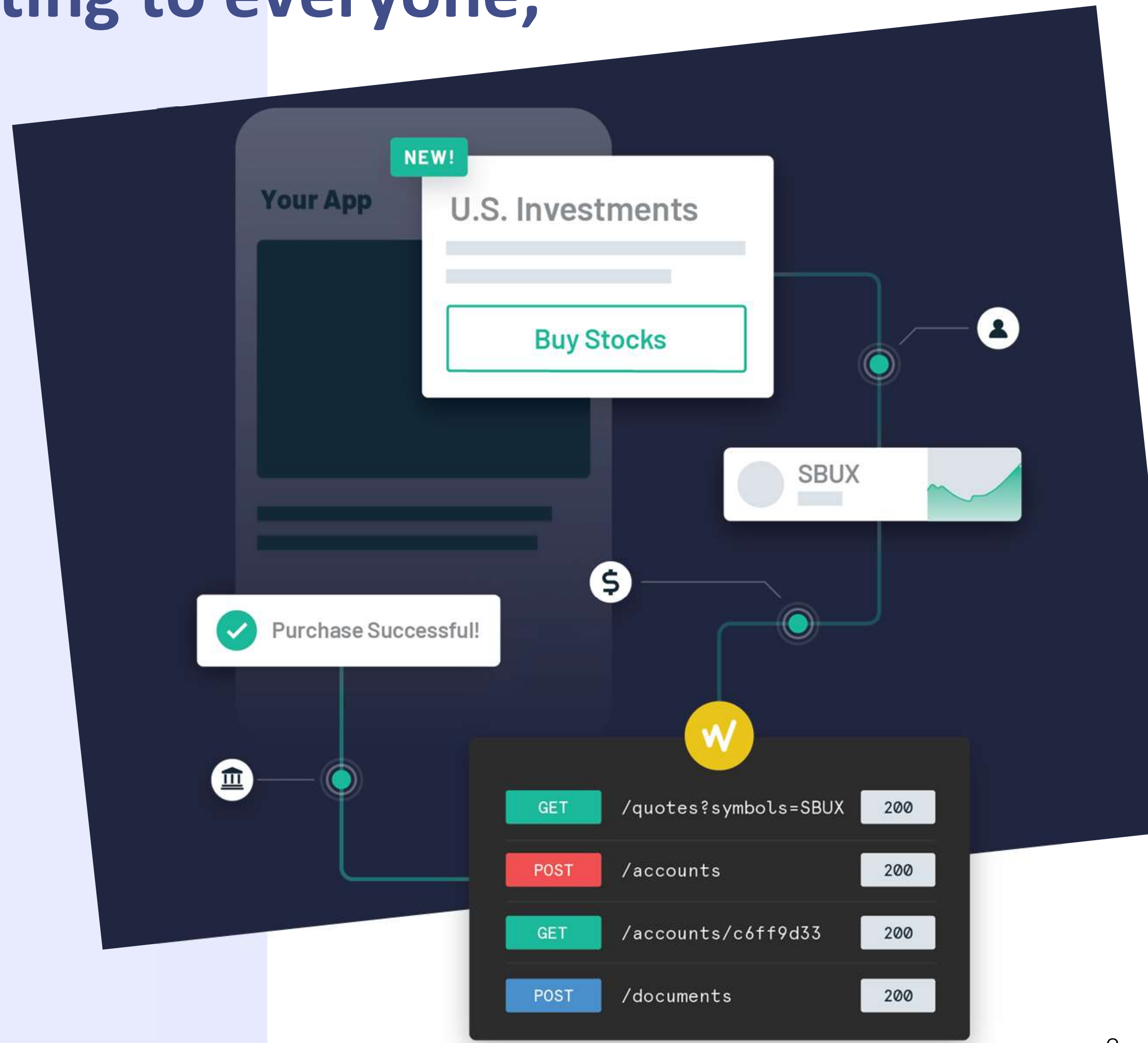
Raptor

ROUTE SIXTY-SIX VENTURES

2012	The founding of Drive**Wealth**
2013	Obtained brokerage license
2014	First partners building on our API platform
2015	Granted first license to trade fractional shares
2016	Advisory services offered on the platform
2018	Approved as a trustee for retirement accounts
2019+	Powering investment products for the largest financial brands worldwide

DriveWealth brings investing to everyone, everywhere

We believe the future of investing is when buying Starbucks stock is as easy as buying a latte. Drive**Wealth**'s lean, modularized brokerage infrastructure was purpose-built to allow our global partners to quickly and easily bring this future of investing to their customers regardless of their wealth, location, or sophistication.



Partners

Enabling partners to re-imagine retail investing worldwide.

Regulatory licenses

DriveWealth's regulatory licenses help our partners achieve their goals of offering their customers cutting-edge investing user experiences

- Full carrying broker that directly onboards both global customers and customer funds
- Licensed to offer fractional share trading, enabling our unique, real-time dollar-based investing platform
- Licensed to onboard correspondent brokers, which enables brokers globally to integrate with Drive**Wealth**'s platform via APIs
- Member of FINRA, SIPC and NFA
- Registered in all 50 U.S. states
- SOCII type 1, GDPR and CCPA compliant

BrokerCheck by FINRA

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

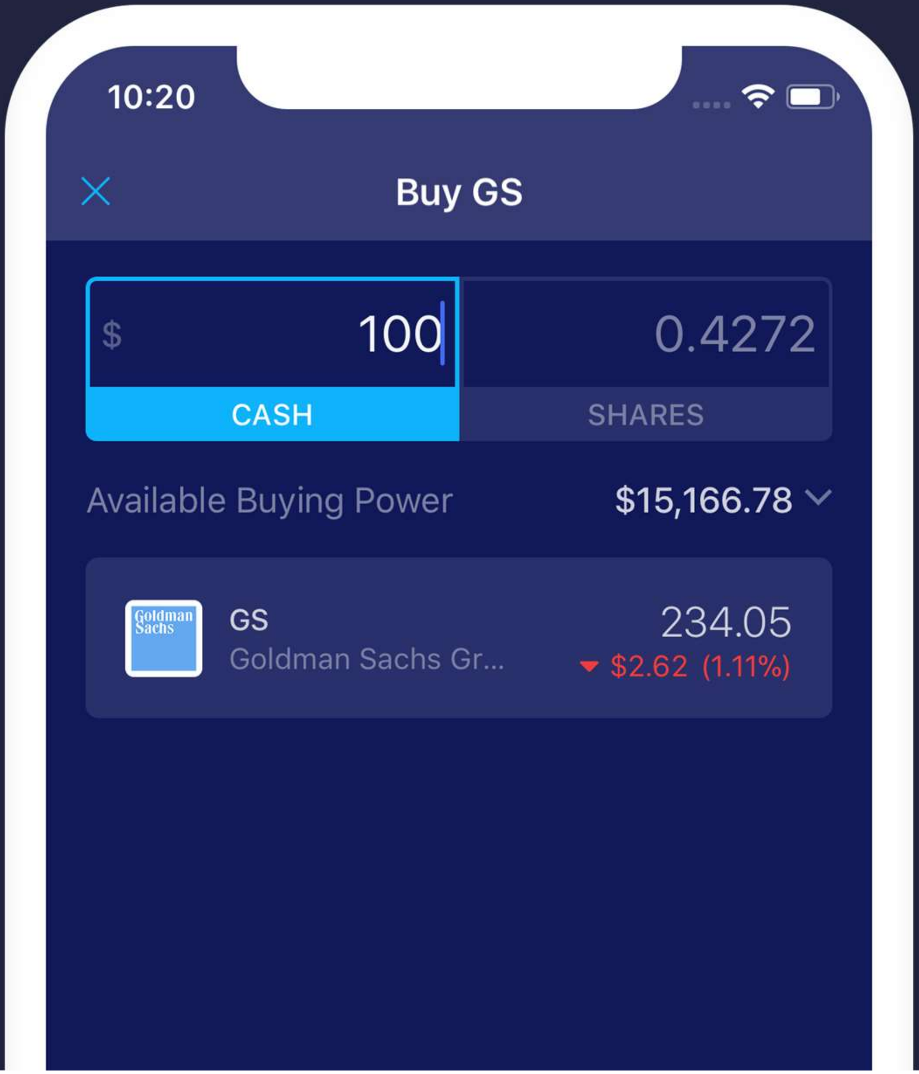
This firm currently conducts 4 types of businesses.

Types of Business
Broker or dealer retailing corporate equity securities over-the-counter
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Other - THE APPLICANT WILL ENGAGE IN THE TRADING OF FRACTIONAL SHARES WITH CUSTOMERS ON A PRINCIPAL BASIS. CUSTOMERS WILL BE ABLE TO PLACE ORDERS IN QUANTITIES THAT ARE DOLLAR AMOUNTS OR SHARES. THE APPLICANT HAS RECEIVED APPROVAL TO CLEAR FOR OTHER BROKER-DEALERS ON A FULLY DISCLOSED OR OMNIBUS BASIS. THE APPLICANT WILL ENGAGE IN AFTER MARKET HOURS TRADING ON AN AGENCY BASIS

Fractional shares

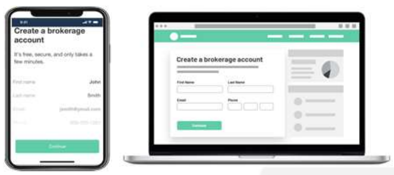
DriveWealth's patent-pending Fracker technology provides the unique ability to invest in real-time fractionalized shares on a notional basis

This means even the smallest customers can start investing today in terms they understand, "$1 of Apple or $10 in Nike."



API-driven, Cloud-based brokerage platform

Partner App/Website

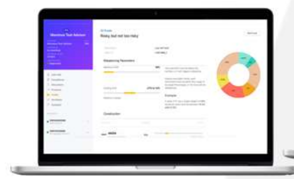


API Library & Integration

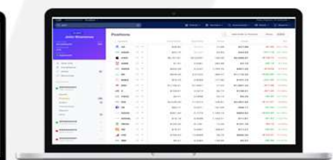
```
POST /orders
Content-Type: application/json
Idempotency-Key: a2a7b93d-93d8-41e5
dw-api-key eb1c2e22-46df-4245

{
  "accountNo": "DW000001"
  "symbol": "AAPL"
  "orderType": "MARKET"
  "amountCash": 200
}
```

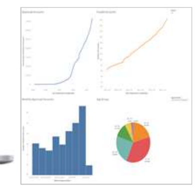
Portfolio Mgmt. Tools



Partner Portal
(real-time)



Custom Reporting



Strategic Partners
White label-capable products

DriveWealth API Platform

Customer Onboarding
- Account Opening
- AML/ KYC
- 3rd Party Banks
- Account Funding/ Transfers

Investing/Trading
- Instrument Data
- Market Data
- Fracker Real-Time Fractional Execution
- Orders, Trades
- Allocations
- FDIC Sweep
- Portfolio Mgmt.

Account Management
- Positions & Cash Summary
- Events API
- Real-time Corp. Actions
- Reconciliations
- Margin
- ACATs

Reporting
- Statements
- Confirms
- Tax
- Compliance
- Risk

CIP/KYC Vendors | ACH Processor | Execution & Internalization Cuttone & Co. | Custody Citi, ETC | Securities Lending

Scalable investment infrastructure

Our global, purpose-built platform enables you to launch quickly with scale and ease, so you can focus on your core business. Just use our APIs to embed the entire investor experience within your app or site.

- Cloud-based architecture
- RESTful APIs
- Real-time calculated data
- Dedicated Slack channel
- Detailed documentation

Events system

Notional orders

Instant client verification

Trusted KYC

Real-time margin

Order flow reporting

Algo orders

Fractional shares

Idempotent requests

Regulatory flag detection

Real-time dashboards

DriveWealth's APIs provide partners simplicity and speed to market

Competitor solutions require more of your time and resources, as well as multiple additional vendor integrations

	DriveWealth	Competitor	Additional Resources Required: Internal Development	Additional Resources Required: Vendors
AML-KYC/Account Creation	✓	●	-	-
Digital Documents Verification	✓	○	-	$
Transfers (Deposits/ Withdrawals)	✓	●	-	-
Instruments/Asset Information	✓	○	Ingest Security Master file	$
Market Data (Quotes/Prices)	✓	○	-	$
Orders / Trades	✓	○	Intraday Orders, Positions, Cash, Buying Power	$
Real-Time Fractional Execution	✓	○	Process/System for Batched Window	-
Allocations	✓	○	Create batch files SFTP delivery	-
Portfolio Implementation/ Auto Rebalancing	✓	○	🔧	$

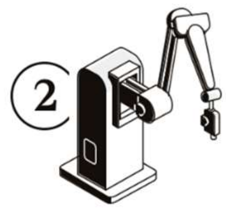
	DriveWealth	Competitor	Additional Resources Required: Internal Development	Additional Resources Required: Vendors
Positions & Cash Account Summary	✓	○	Intraday Books & Records; Ingest start of day batch files	-
Real-time Corporate Actions	✓	◕	🔧	-
Transactions/ Cash Movements	✓	◕	Intraday Books & Records; Cash journals	-
Reconciliations	✓	○	🔧	$
ACATs	✓	◕	-	-
Documents	✓	●	-	-
Charting/Graphing	✓	○	-	$
Real-time Partner Portal	✓	◕	Partner Portals - only update once per day	-
Custom Reporting (Risk/Compliance)	✓	◕	Out of the Box daily SFTP drop	-

OUR PROCESS

With you from concept to launch

Design your experience

Tell us about the experience you want to enable. We're happy to share our product or industry thoughts to help guide how you should encourage customers to think about investing.



Integrate with us

Your development team has access to a replica of production to build and test your product. Our engineers are specifically trained to help with integration efforts and ensure you're working with the right APIs in the right way.

Launch

Once you're fully integrated, our compliance and legal teams take a look to make sure nothing seems out of place. We provide production access and accounts are instantly ready to be opened!

Potential offerings

Subscription

Build fractional portfolios of your
favorite US brands
with subscription pricing

Get Started

Sign In

Robo-Advisor

Let Partner Manage Your
Investments

Simple

Cost Effective

Get Started

Sign In

Broker

Invest any dollar amount
in up to 3,000 US stocks

$100 portfolio

AAPL	$25
GOOG	$40
TSLA	$35

Get Started

Sign In

Investment Products and Account Types

~3,200 U.S. Equities

830+ ETF/ETNs

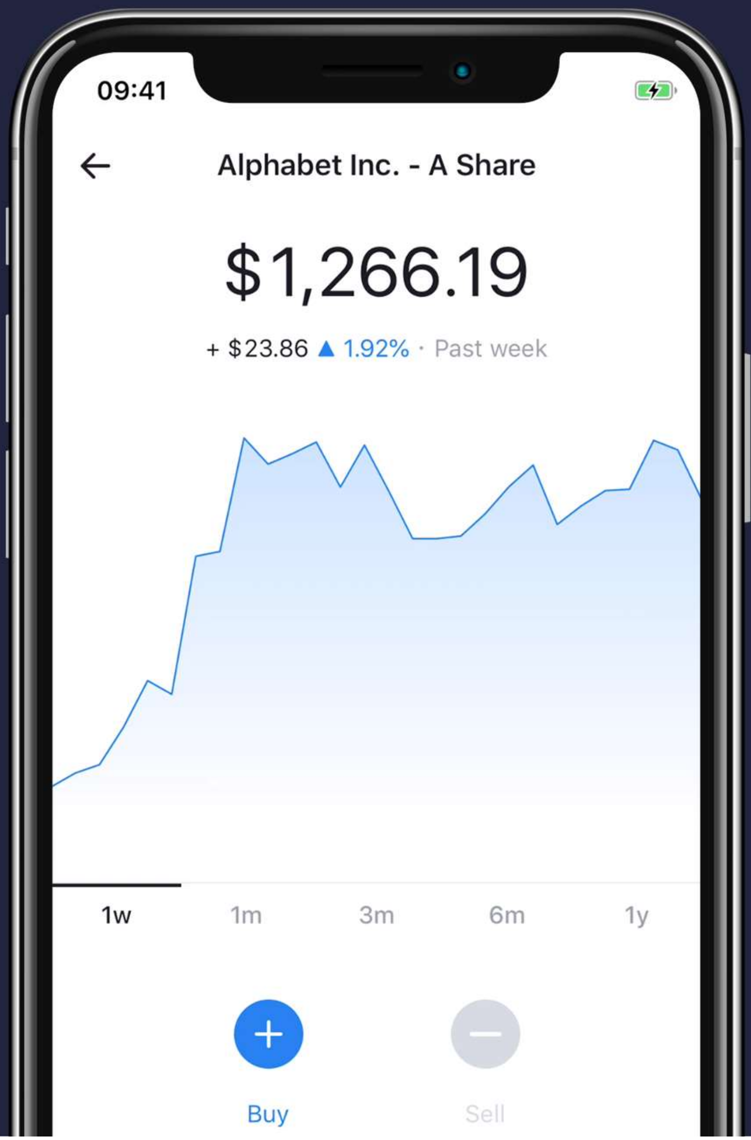
280+ ADRs

Money Markets

Mutual Funds

FDIC Bank sweep

- The Drive**Wealth** platform offers the ability to trade and invest in over 4,000 U.S. securities
  - New securities can be added upon request
- Our Partners can offer the full breadth or a limited subset of our investment products to customers
- Partners also have the ability to create customized "baskets" of securities based on industries or themes, e.g. a tech sector basket including TSLA, AMZN, AAPL, and GOOGL
- Drive**Wealth**’s platform supports various account types and ownership structures:
  - Self-Directed Brokerage
  - Advised – Managed or Robo
  - Retirement – IRA, Roth IRA
  - Individual, Joint, Custodial, Institutional, Trust



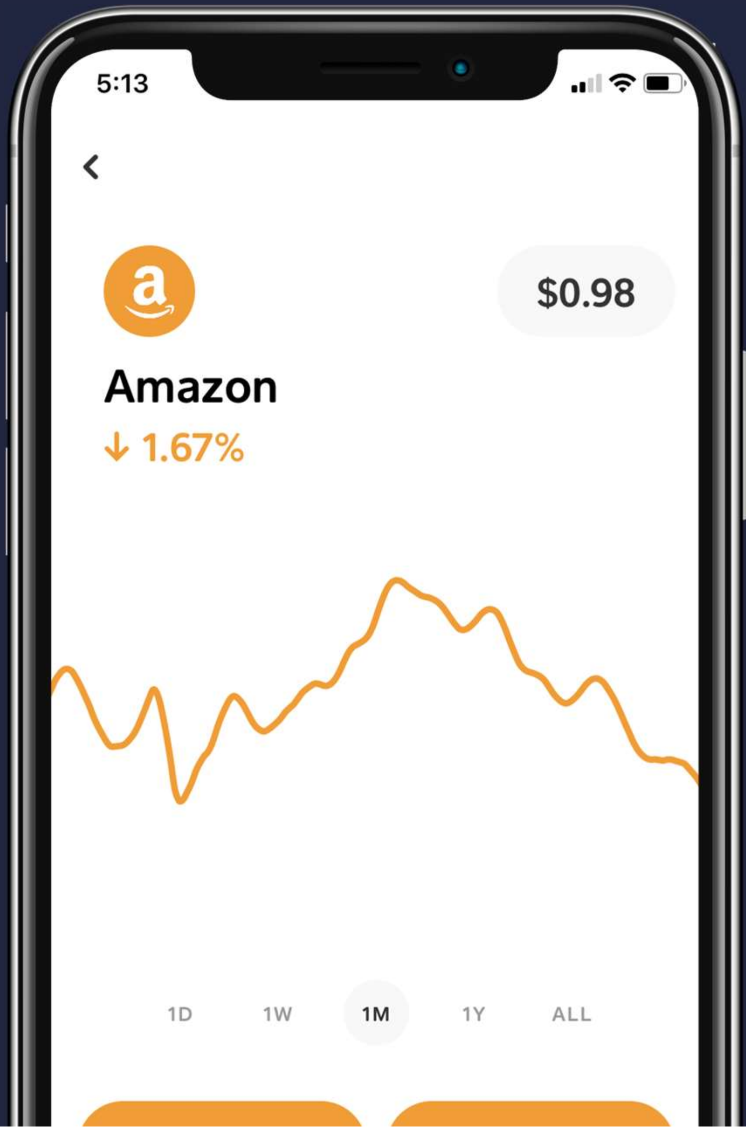
PARTNER SHOWCASE

Revolut

Bloomberg

Revolut Adds Stock Trading as It Builds Out Its Finance Services

August 1, 2019



PARTNER SHOWCASE

Square

Bloomberg

Square Launches US Stock Investing to over 20 million Cash App Customers

October 24, 2019

Easy asset diversification

CUSTOMER PORTFOLIO

Total to spend

$100

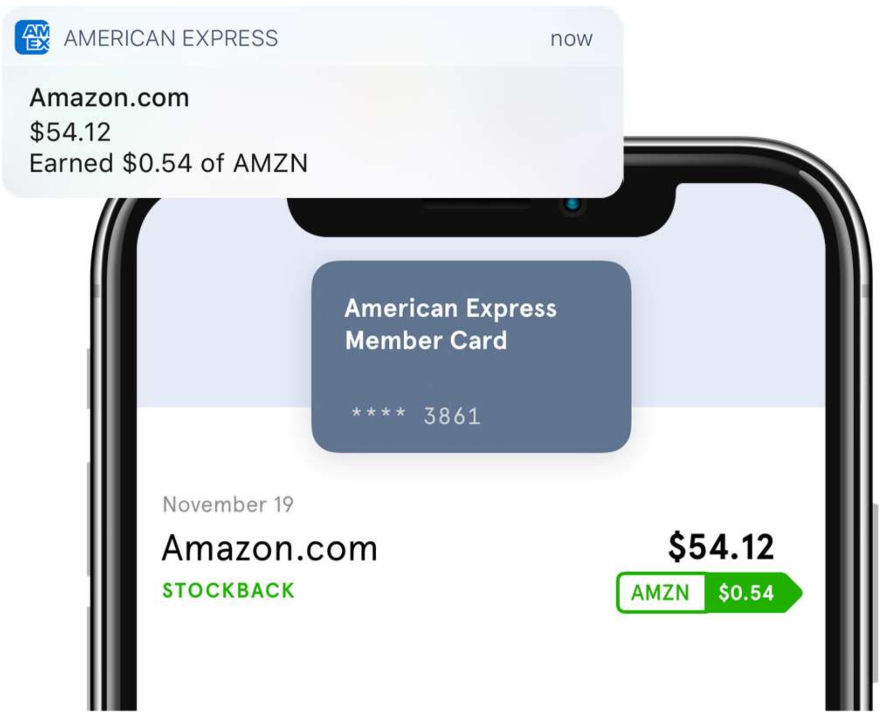
Your cart

AAPL	25%
BRK.B	10%
GOOG	40%
TSLA	25%

- Customers can build a portfolio of the hottest U.S. stocks
- Trade orders are input by the customer in their local currency-denominated account or wallet, e.g. HK$100 or ¥10
- Trades executed in U.S. dollars

Unique product experiences

SPENDING-LINKED STOCK REWARDS



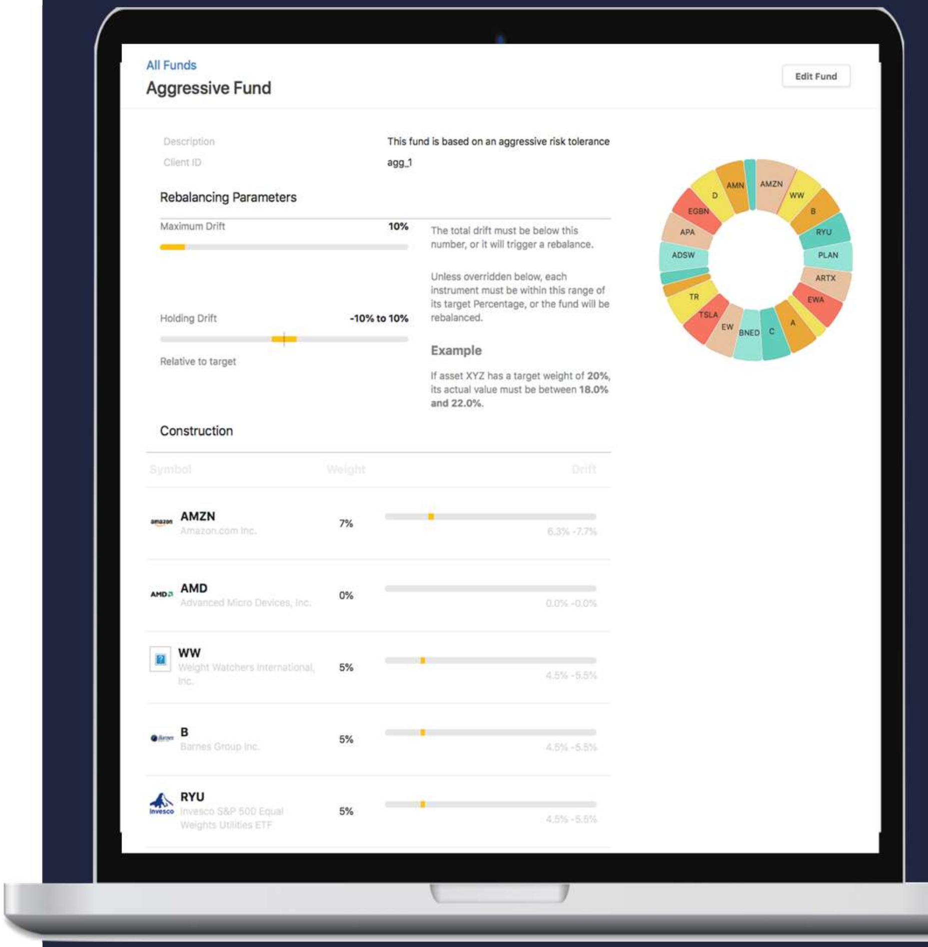
DriveWealth's platform can support whatever product experience you create:

- Round up retail purchases to buy stock
- Earn stock instead of credit card loyalty points
- Tip drivers or wait staff in stock instead of cash, directly into their healthcare savings account (HSA)

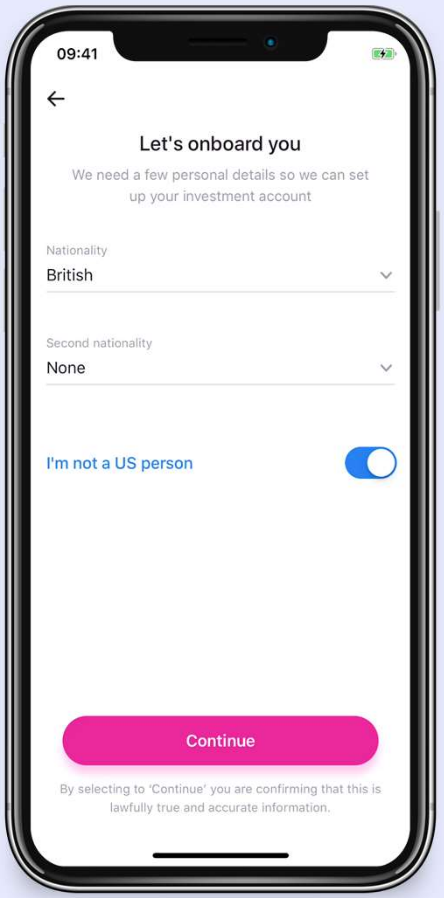
Next Gen Advisor APIs

Drive**Wealth** provides the most robust set of managed account APIs for integrating with RIAs

- Real-time Allocation APIs
- Allocate to 1/1,000,000,000th of a share
- No inventory risk with auto-liquidation of fractional remainders
- Drive**Wealth**’s Autopilot is a series of APIs that enable advisors to configure portfolios and requirements such that clients are automatically rebalanced back to target percentages
- Investment advisors can seamlessly and automatically manage their customers’ funds down to the micro investing level



Native on-boarding experiences



Drive**Wealth**'s APIs can be plugged into any application to create a native onboarding experience – we do not require a wet signature or physical forms

Partners can leverage stored account details for existing customers to streamline the onboarding process and improve the overall customer experience

POST /users 200

REQUEST

```
"documents": [{
    "type": "BASIC_INFO",
    "data": {
      "firstName": "John",
      "lastName": "Smith",
      "country": "CHN",
      "address" : "Hong Kong",
      "emailAddress": "80029988111@qq.com",
      "language": "en_CN"
    }
  }
```

Digital document upload

POST /documents 201

REQUEST


```
{
 "userID": "455c5ab3-f61d-4dcc-a799-9167173ac4d9",
 "type": "PICTURE_ID_PROOF_OF_ADDRESS",
 "document": "data:image/jpeg;base64,/9j/4AAQSkBIAA"
}
```


Drive**Wealth**'s digital document upload API can be used in conjunction with third-party Optical Character Recognition (OCR) and digital KYC onboarding vendors. Once your mobile or web application captures the image, it can be sent to Drive**Wealth** using a simple base64 image string (.pdf, .img., .jpeg, .png types accepted)

Customer accounts are approved within milliseconds of the digital document being uploaded so customers can start trading immediately

Instant account verification

DriveWealth has support agents on standby in the event an account is not instantly verified and requires approval assistance

GET /accounts 201

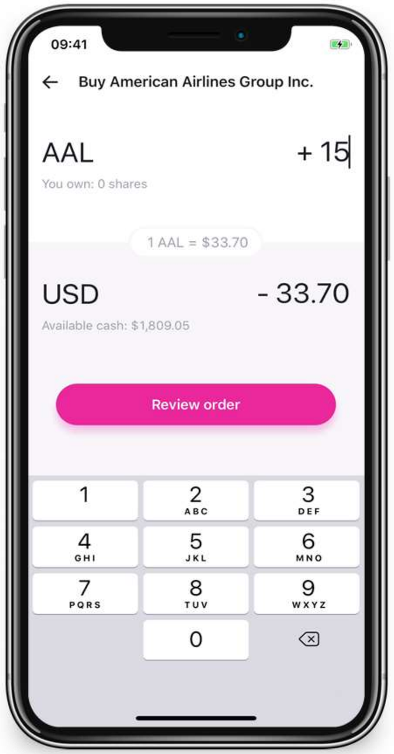
REQUEST


```
account”: {
    “accountNo”: “DWPH000003",
    “userID”: “455c5ab3-f61d-4dcc-a799-9167173ac4d9",
    “commissionID”: “449d41b9-3940-41ff-b0e6-334adfb443f8",
    “openedWhen”: “2019-11-11T18:33:13Z”,
    “status”: {
      “name”: “OPEN”,
      “description”: “Open”
    }
```

Multiple funding options

Immediate funds availability

Customers can spend their wallet balance right away on stock—no transfer time. When they sell stock, the money is ready immediately to spend at a store or transfer to a friend.



- Customers who have a HK bank account can easily send funds to Drive**Wealth** (via SWIFT system)
- Partners registered to handle customer funds can send a bulk wire transfer to Drive**Wealth**, with accompanying breakdown, prior to 1:30pm ET Monday-Friday
- Drive**Wealth** sends funds back via a USD-denominated wire transfer only

Orders and Execution

DriveWealth offers two sets of APIs for accepting orders; REST, and traditional FIX.

- Real-time fractional share trading up to 8 decimal points
- Notional based orders

Order statuses can be retrieved via a simple request or by utilizing an SQS notification queue.

- Both retrieval methods provide full detail on execution and status
- API endpoints have been designed to provide market data, specifically to comply with Reg NMS (Vendor Display Rule)
- DriveWealth's executing broker can provide our Partners special order type support such as MIT, VWAP, TWAP, DMA, and more. Order flow reporting also available

End-to-end consultative support

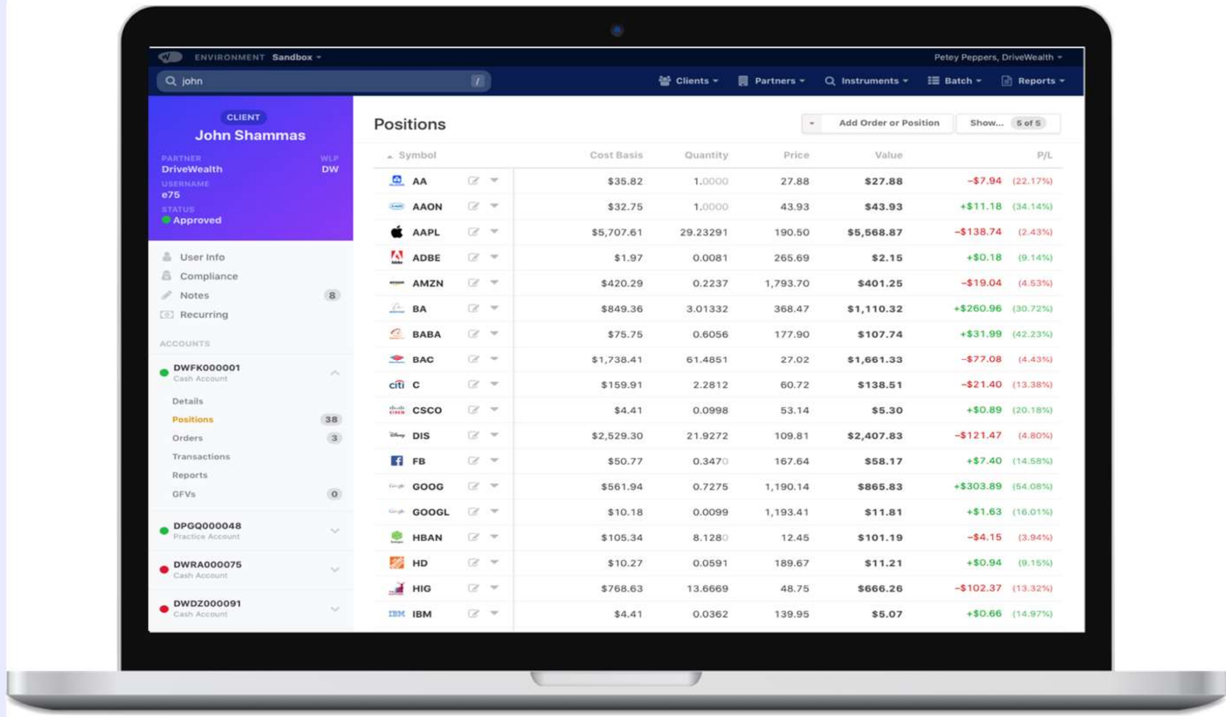
Drive**Wealth** is more than a layer of technology — our dedicated team of integration experts support you throughout product development and launch, and as you continue to evolve.

- **Pre and post launch Partner Support**
- **On-site product development assistance**
- **Full API documentation**
- **Detailed workflow & product examples**
- **Dedicated Slack channel**

Partner Portal

The Drive**Wealth** solution provides our partners a Partner Portal to manage their integrations, validate API usage and manage customer accounts pre- and post-launch. Partners can also create manual orders, edit customer profile details, download official statements and perform order ticket audits.

Partner Portal has a simple interface to assign employee user roles and permissions. Choose from pre-set roles based on Series 7 and 24 licensing, or customize permissioning as needed to ensure compliance with security regulations.



Reporting

Reporting APIs

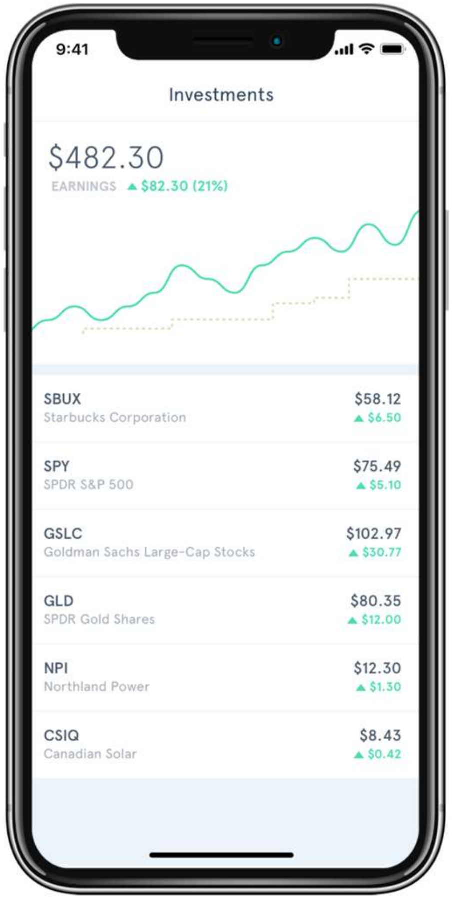
The reporting APIs take the complex and make it simple. Account summary endpoints provide back financial details such as positions, orders, and past transactions, as well as P&L and open quantities. The performance API can return daily (un)realized gains/losses. All available in real-time.

Events API

We understand the struggle of constantly polling an API for updates, so we offer an Events API via webhook or SQS queue. This API will send an update when the state of another API resource changes, e.g., if an order status changes an event will be triggered along with the correlating details.

Account statements, trade confirmations, and tax documents

Access to documents is provided through a simple API call. The response details provide a time sensitive pdf link that can be served up to the end-user to download or print.



System and Infrastructure

Data Center Redundancy:

DriveWealth operates in the Amazon Cloud (Amazon Web Services) in dual, redundant, data center facilities located in Virginia, USA. A "warm" datacenter is maintained in Oregon, USA with pre-configured systems to provide redundancy in the case of a failure in or catastrophic loss of the primary facilities.

Data Resiliency and Redundancy:

Backups are performed daily and transferred offsite to our warm datacenter facility. Additionally, data is electronically replicated between active datacenters in real-time.

Server Hardware Redundancy:

All aspects of the DriveWealth trading platform have no single point of failure. Should a server go offline, load is immediately directed to an available server. In addition, additional server resources will immediately be brought online to account for the transfer of load.

Scalability:

All systems are running on virtual servers through AWS. Amazon offers real-time monitoring of all systems, and provides both dynamic and on-demand scalability as needed.

Market Center Connectivity:

DriveWealth utilizes two executing brokers that provide multiple redundant routes to the major market centers (exchanges) - Cuttone and Co., the largest floor broker on the NYSE, and SpeedRoute Technologies. Both offer direct market access located in Mahwah, NJ and NY5 datacenters.

Security Against Both Cyber and Physical Intrusion:

Physical datacenter security is multi-tiered and includes 24×7 facility-owned security. In order to maintain data security and defend against cyber intruders, DriveWealth employs a host of defenses and disciplines. All transactions sent to and from the data center are encrypted using one or two encryption standards. All web transactions are secured by at least 128-bit SSL encryption, while messages data streams are encrypted using AES encryption. Access to the systems for management is only provided via a secured, encrypted VPN tunnel. All web traffic is protected by a DDoS mitigation service.

Security

- The company uses a layered approach of overlapping controls, monitoring and authentication to ensure overall security of the company's data, network and system resources.
- Physical datacenter is multi-tiered and includes 24x7 facility owned-security
- All transactions are sent to and from the data center are encrypted using one or two encryption standards
- All messages data streams are encrypted using AES encryption
- All web traffic is protected by a DDoS mitigation service
- All web transactions are secured by at least 128-bit SSL encryption
- All appropriate data is backed up, and the backups tested periodically, as part of a documented, regular process.
- Backups of data are handled with the same security precautions as the data itself. When systems are disposed of, or repurposed, data is certified deleted or disks destroyed consistent with industry best practices.
- Vulnerability and risk assessment tests of external network connections are conducted on a regular basis.
- Periodic internal security audits and vulnerability scans are performed to ensure adherence to DriveWealth policies.
- Data must have sufficient granularity to allow the appropriate authorized access. There is a delicate balance between protecting the data and permitting access to those who need to use the data for authorized purposes.
- Education is implemented to ensure that users understand data sensitivity issues and the mechanisms to protect data. Security awareness training is conducted at the time of hire and refreshed when appropriate.
- Access to the network and servers and systems is achieved by individual and unique logins and requires authentication. Authentication includes the use of passwords, smart cards, biometrics, or other recognized forms of authentication.
    - Access to system for management is only provided via a secured, encrypted VPN tunnel
    - Default passwords on all systems are changed after installation. All administrator or root accounts are given a password that conforms to the password selection criteria when a system is installed, rebuilt, or reconfigured.
    - Customer passwords are not stored in clear-text format and use salting and hashing.
- Terminated employee access is reviewed and adjusted as found necessary. Terminated employees have their accounts disabled upon transfer or termination.

Encryption

- All customer data is encrypted during transmission over insecure channels
    - All non-public information (NPI) is encrypted at rest and in-transit to third parties. This includes credit card information, social security numbers, and tax IDs.
    - Encryption keys which secure customer data are stored in a secure location, accessible only to personnel sanctioned by the CIO
- All DriveWealth encryption is done using NIST approved cryptographic module
    - Common and recommended ciphers include AES 256, Triple DES and RSA
    - Symmetric cryptosystem key lengths are at least 128 nots
    - Asymmetric cryptosystem keys are of a length that yields equivalent strength
    - DriveWealth's key length requirements are reviewed annually as part of the yearly security review and upgraded as technology allows
- Distribution of encryption keys over the public internet using email and instant messaging is prohibited
    - Encryption keys are only distributed via secure methods, including SSL, VPN, or encrypted disk
- Deprecated or suspected compromised cryptographic keys will be removed from the trading systems as soon as possible