

How Wealthsimple raised \$2MM in 2 weeks

@mkatchen
@getwealthsimple

About me



Mike Katchen, @mkatchen

- Wealthsimple
- Ancestry.com
- 1000memories
- McKinsey

In May, we raised a \$2MM seed round. It took us 2.5 weeks to raise from 15 investors. Here are a few tips based on what I think we did right.

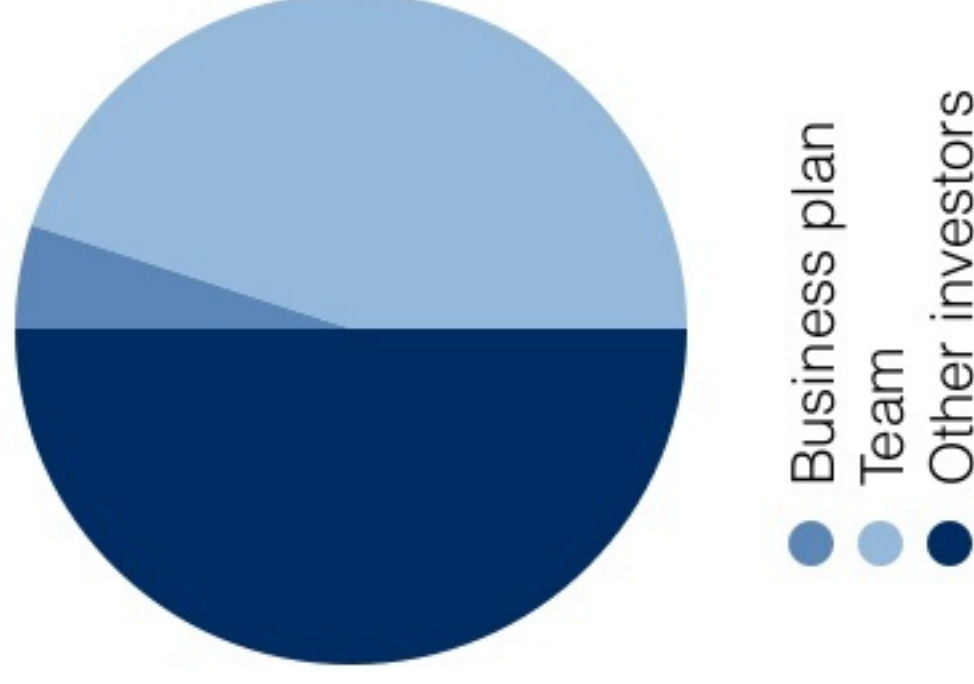
Table stakes for seed rounds:

1. Good idea (in a massive market)
2. Killer team

Tip #1: Find your lead investor early.

Investors follow the herd. They care more about who else is investing than what you do as a company. Don't go broad until you have your lead lined up.

How investors make decisions



Tip #1: Find your lead investor early.



Joe Canavan

- Former CEO, Assante
- Founder, Synergy & GT Global
 - “Person of Influence of the Decade”

Tip #2: Your angel investors don't have to be in tech.

Don't limit your search to active tech angels. Think more broadly about who would support your company.

10x

x

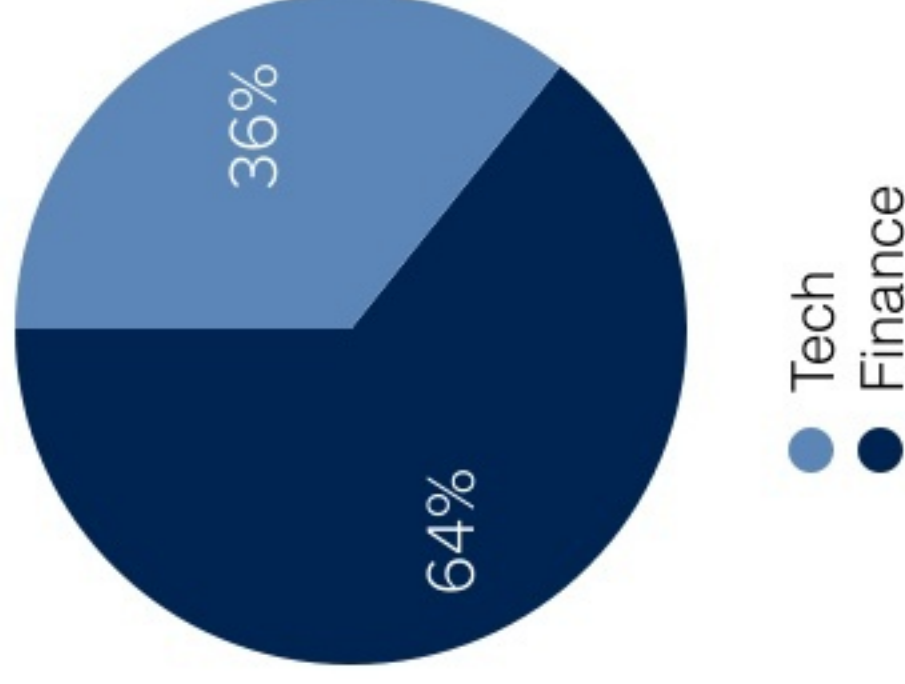
Active angels in Canada

Wealthy people that want to invest in tech

Tip #2: Your angel investors don't have to be in tech.

Think broadly about your ideal investors. "Smart money" can make a big difference.

Wealthsimple investors come from...



Tip #3: Most decks suck - make yours good.

A compelling deck is short, clear, and well designed.

Tell your story in 4-5 pages:

- (1) what you do
- (2) market size
- (3) team
- (4) growth plan
- (5) competition

WEALTHSIMPLE

Smart investing made simple.

Wealthsimple is Canada's fastest growing online investment manager. We make smart investing easy, low-cost, and transparent.

The investment industry is transforming

Industry transformations by decade

1980s	Mutual funds transform the way investors save for retirement
1990s	Discount brokerage creates an easy, low cost solution for DIY investors
2000s	ETFs become a credible, low-cost, liquid alternative to mutual funds
2010s	Online solutions democratize access to sophisticated investment management

What we do

Wealthsimple is Canada's fastest growing **online investment manager**. We target **young professionals** that want a **smarter and simpler way to invest** their savings.

We invest clients' assets in a **fully-diversified portfolio** based on their risk profile. We use technology to simplify the entire investing experience, from account opening to reporting via **web or mobile**.

We charge **35-50 bps on assets** (a lot less than everyone else) and service accounts from \$5,000 to millions.

Our team includes tech and finance icons Prof. Eric Kirzner, Joe Canavan, Roger Martin, David Ossip, and Dan Debow.

The product

SMART INVESTING

We build clients fully-diversified portfolios tailored to their risk profile and investment goals.

SIMPLE EXPERIENCE

We simplify the entire experience from account opening to reporting via web or mobile.

DEDICATED SUPPORTED

We offer the support you need, when you want it via dedicated Wealth Concierge professionals.



The Canadian market opportunity



Wealthsimple fills
a massive gap in a
\$1.3T market



|

High minimums
High fees
“Service” oriented

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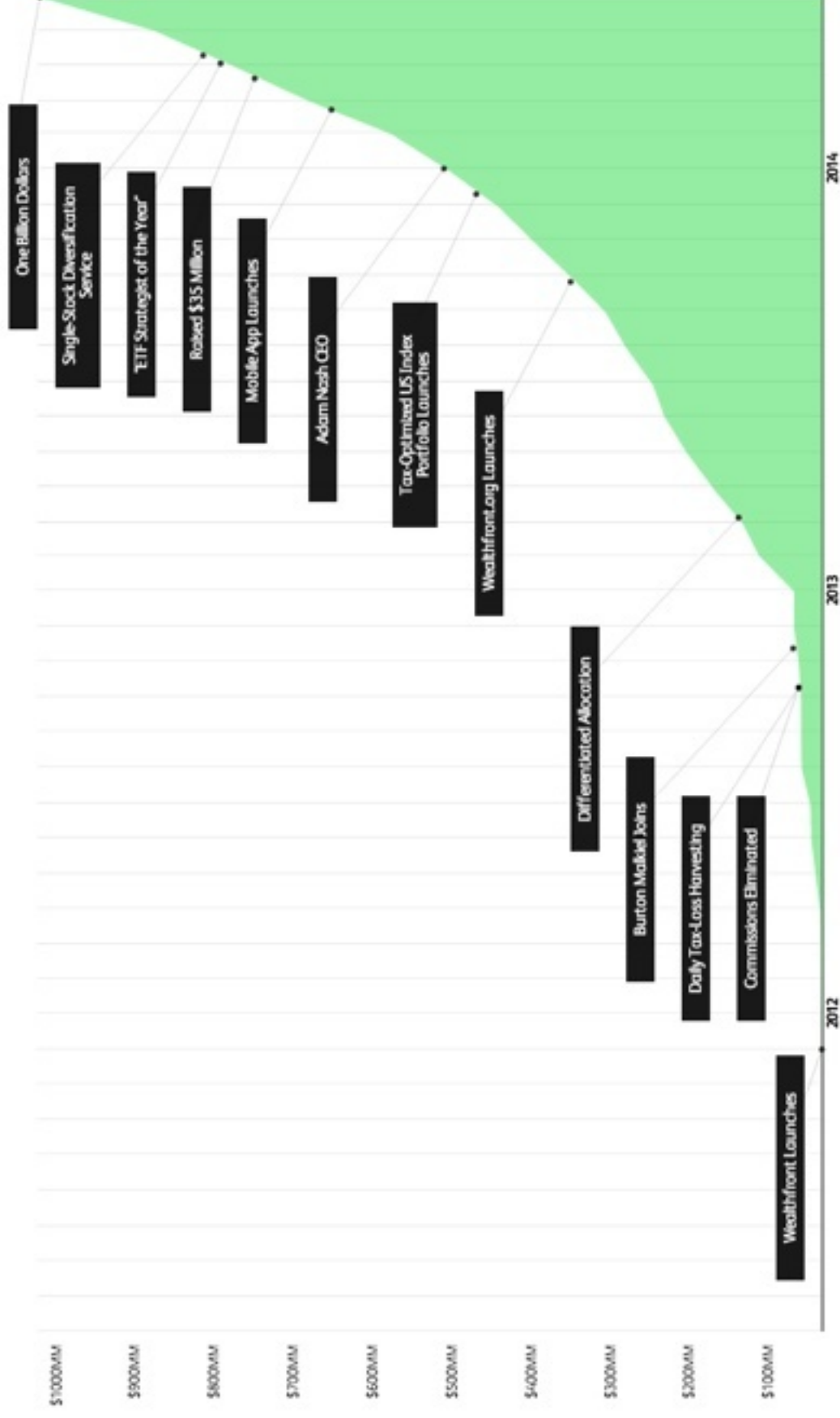
Low fees
Low minimums
“Light” advice

|

Low fees
Knowledge hurdle
No advice

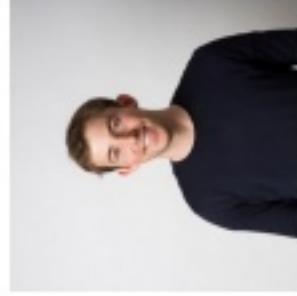
US CASE EXAMPLE

Wealthfront: \$0 to \$1B in 2 years



- US market leader for online “light advice”
- Added >\$1B in 2014: now at almost \$2B
- One of several US players with >\$500MM in assets

Team



Michael Katchen, Founder & CEO

- Head of Ancestry Canada
- Marketing and Product, 1000memories
- McKinsey & Co. financial services
- "Mover of the Month" by Financial Post



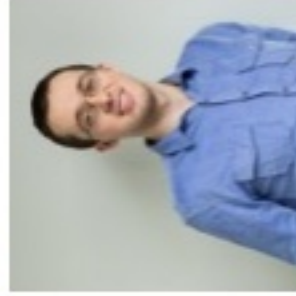
Dave Nugent, CIO & CCO

- Investment Advisor, RBC DS, shared \$300MM book
- Canadian Investment Manager (CIM)
- President of Student Council, Huron



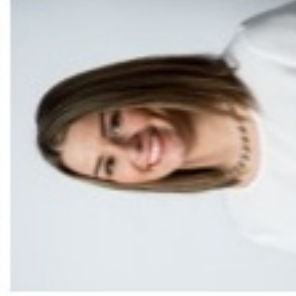
Rudy Adler, Designer

- Co-founder, 1000memories, YC alumni
- Wieden+Kennedy creative
- Launched award winning campaigns for Apple, Levi's, Focus Features



Alex Rascanu, Marketing Director

- Director or Marketing, Conversion Media, Powered by Search
- Founder, Marketers without Borders, Marketers Unbound



Kayla Wilson, Associate Wealth Concierge

- Sales assistant at Raymond James
- Business Marketing at George Brown
- Canadian Securities Course Candidate



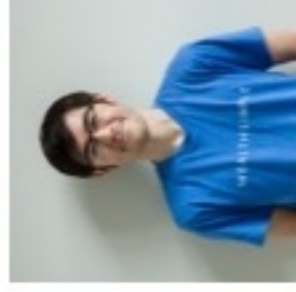
Brett Huneycutt, COO

- Co-founder, 1000memories, YC alumni
- Director of Product, Ancestry, Stripe
- McKinsey & Co. financial services
- Rhodes Scholar



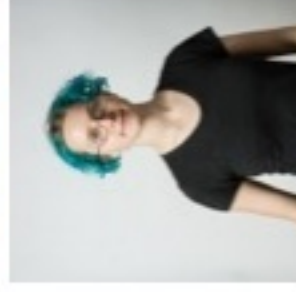
Bruno Virlet, CTO (pending)

- Founder, Genius Scan, mobile scanning app with 15MM downloads and 2MM MAUs
- Engineer, 1000memories, Ancestry, Amazon
- MS in Computer Science



Peter Graham, Engineer

- Engineer, 1000memories, Ancestry
- Mobile developer at AOI Pro in Tokyo
- Computer Science at Colby College



Kate Murphy, Engineer

- Hacker School and HackLab.TO
- Ladies Learning Code
- Engineer, Virgin mobile, Konrad Group



Huda Idress, UX Designer

- First designer, Wattpad
- Lead designer, Wave Accounting

Advisors



Joe Canavan, Advisor

- Former CEO, Assante Wealth Management
- Founder, Synergy and GT Global



David Ossip, Advisor

- CEO, Ceridian HCM
- Founder of Dayforce and Workbrain



Roger Martin, Advisor

- Former Dean, Rotman Business School
- Former co-head of Monitor Company



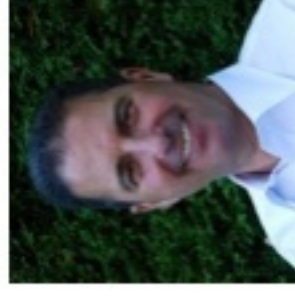
Dan Debow, Advisor

- SVP at Salesforce.com
- Co-Founder, Rypple (acquired in 2012)



Prof. Eric Kirzner, Investment Committee

- Chair in Value Investing at Rotman
- Author of 13 books on investment finance
- Founder of the Easy Chair Portfolio



Bryan Kerdman, Advisor

- Managing Partner, Impression Ventures
- Former Managing Partner, Bryker Capital



Christian Lassonde

- Managing Partner, Impression Ventures
- Managing Director, Next36 Ventures



Andrew D'Souza

- President, Bionym
- Former COO, Top Hat, Top Prospect

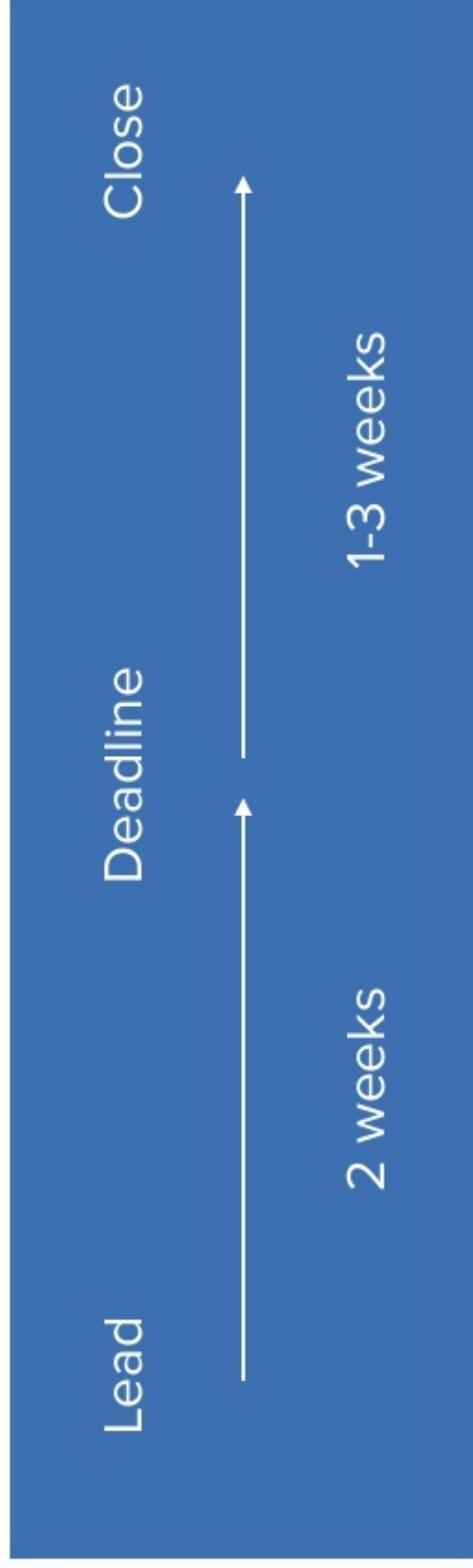
CLIENT ACQUISITION

Target market: Young professionals, 25-45 years old. Top income decile but don't yet have the required assets to hire traditional advisors.

Not sharing at this time... sorry

Tip #4: Set a deadline.

Once you have a leader investor, move fast to close your round.
Closing will always take longer than you expect.



Tip #5: Put some money in yourself (if you can).

- If you can afford it, investing in your own round goes a long way
- Signals to investors that you are committed, aligned, and will be a responsible steward of their capital
- Surprisingly few teams invest in their own rounds so it can also help you stand out.

Great resources on fundraising



How to raise money
<http://paulgraham.com/fr.html>

StartupNorth

One Post to Rule Them All
startupnorth.ca/2014/06/24

Founders

Other founders that have been there before

Recap

1. Lead investor
2. Think beyond tech
3. Make a great deck
4. Set a deadline
5. Put some money in yourself

Questions?