

Wealthsimple

Online investment manager | Toronto, ON | Founded: 2014 | Employees: 175 | <https://wealthsimple.com/>

PHONE: 1-855-255-9038

WIKIPEDIA: <https://en.wikipedia.org/wiki/Wealthsimple>

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=272860374>

LINKEDIN: <https://ca.linkedin.com/company/wealthsimple>

TWITTER: <https://twitter.com/Wealthsimple>

COMPANY OVERVIEW

Wealthsimple is an online investment management service based in Toronto, enabling clients to invest their savings and build diversified portfolios comprised of exchange traded funds. Aimed at making investing easier for millennials, there is no minimum investment amount and fees are lower than the industry average. Unlike many robo-advisors, Wealthsimple also provides access to human advisors via phone, email, text message, or video chat.

SENIOR MANAGEMENT

Michael Katchen: Co-Founder and CEO (2013-Present). Previously: Country Director, Canada, Ancestry.com (2013-2014); Product Management, Ancestry.com (2012-2013); Vice President, 1000Memories (2011-2013); Business Analyst, McKinsey & Company (2009-2011). Education: HBA (2009), Ivey Business School.

Brett Huneycutt: Co-Founder and COO (2013-Present). Previously: Director, Ancestry.com (2012-2014); Co-Founder 1000Memories (2010-2012); Engagement Manager, McKinsey & Company (2006-2010). Education: BA, Economics and Math (2003), Boston College; MPhil, Economics (2006), University of Oxford.

Karney Li: Chief Technology Officer (2018-Present). Previously: VP of Engineering, Wealthsimple (2015-2018); Software Development Manager, Amazon (2012-2015). Education: Bachelor of Mathematics, Computer Science (2005), University of Waterloo.

HISTORY

While working at Ancestry.com, Michael Katchen created an Excel model to offer his colleagues tips on developing an investment portfolio. He soon recognized a need for smart, simple, low-fee investing that was accessible to everyone, which led to the formation of Wealthsimple in 2014. After acquiring Canada's first robo-advisor service, Canadian ShareOwner Investments Inc., Wealthsimple held assets under management (AUM) of \$400 million across 10,000 client accounts in 2015¹. In 2016, a partnership with Mint was announced, allowing clients to synchronize their investment accounts with Mint's budgeting software². Wealthsimple for Advisors was also launched in 2016, providing an automated platform for financial advisors wishing to maintain clients with accounts below their minimum requirements³. To date, Wealthsimple has more than 65,000 global clients and over \$2 billion in assets under management⁴.

FUNDING

Wealthsimple has raised a total of \$166.9 million in funding over five rounds. The most recent funding of \$65 million came from a venture capitalist on February 22, 2018⁴.

KEY CORPORATE DEVELOPMENTS

Press Releases: <https://www.wealthsimple.com/en-ca/magazine/category/news>

Sept 18, 2018: [Introducing Roundup. Automatically Invest Your Spare Change.](#)

Aug 16, 2018: [Wealthsimple Trade is Here – Meet Canada's \\$0 Commission Stock Trading App](#)

April 4, 2018: [Introducing the Smart Savings Account. Saving Gets Smarter.](#)

¹ <https://www.wealthsimple.com/en-ca/magazine/400-million-milestone>

² <https://www.wealthsimple.com/en-ca/magazine/news-mint>

³ <https://www.wealthsimple.com/en-ca/magazine/news-advisors>

⁴ <https://www.wealthsimple.com/en-ca/magazine/news-two-billion>

BUSINESS HIGHLIGHTS

STRATEGY

The combination of proprietary algorithms and advanced technology allows Wealthsimple to provide tailored portfolios for customers seeking to simplify the traditionally complex and costly investment process. Their user-friendly online platform makes investing simple, accessible, and more affordable than traditional advisors. Each client is provided an investment advisor that helps match investments to the client's long-term goals and risk tolerance. Portfolios are monitored daily and there are useful features such as automatic rebalancing, tax-loss harvesting and the option to invest in socially responsible companies.

Products / Pricing

All products offer simple to use features with 24/7 access to accounts via web and mobile apps. These products include:

1. **Savings Accounts:** Wealthsimple offers higher interest, retirement, tax free, educational and locked in accounts that allow individuals to invest in a range of Exchange Traded Funds based on an individual's risk tolerance. Fees are 0.5% on invested funds up to \$100,000 and lowered to 0.4% above \$100,000.
2. **Brokerage Accounts:** Wealthsimple offers trading accounts for buying and selling commission free trades on major Canadian and U.S. stock exchanges
3. **Business Accounts for Advisors:** Wealthsimple offers accounts that provide all back-office compliance which allows an investment manager to focus on their client relationships. Fees are fixed at 0.35% on funds under advisement.
4. **Work Savings Accounts:** Wealthsimple offers group retirement savings plans for employees, making it easy for employers to encourage savings at lower cost to employees, including payroll deduction plans. Fees are 0.7% on funds under management. Customer accounts are insured through the Canada deposit insurance corporation for up to \$100,000.

TECHNOLOGY

After the acquisition of its own brokerage, Canadian ShareOwner Investments Inc., Wealthsimple took control over the whole investment process: from signing up new clients on the website or app, all the way to trade execution and asset management. The management of the account is automated by technology and portfolios are automatically rebalanced daily to keep the client's portfolio in line with their investment goals. Because technology is used across the entire business line, Wealthsimple benefits from lower costs as compared to traditional in-person advisors, and thereby is able to accept smaller account sizes and charge considerably lower fees than incumbents.

DISTRIBUTION / LOGISTICS

Wealthsimple is based in Toronto, with offices in New York and London. With a staff of 175 people, Wealthsimple is able to service Canadian, U.S., and U.K. investors through its digital platform.

MARKETING

Wealthsimple's approach to marketing is quite untraditional compared to other financial services. Their ads focus on emotion and humour, instead of product descriptions. Wealthsimple strives to communicate that customers should continue enjoying their lives and building their wealth by letting Wealthsimple service them with professional tools, staff, and technology behind the scenes.

COMPETITORS

While Wealthsimple was one of the first robo-advisors to launch in Canada, other firms also compete in this space:

1. **Nest Wealth** – (Toronto, ON) Nest Wealth is a digital subscription-based wealth management platform, that charges a low, flat monthly fee and custom builds every portfolio.
2. **Smartfolio** – (Toronto, ON) Smartfolio is a digital investment management service, a subsidiary of Bank of Montreal, connecting expert portfolio managers to clients looking for an affordable investment solution.
3. **Wealthfront** – (Redwood City, California) Wealthfront is a robo-advisor service that offers low fees and automated investing.