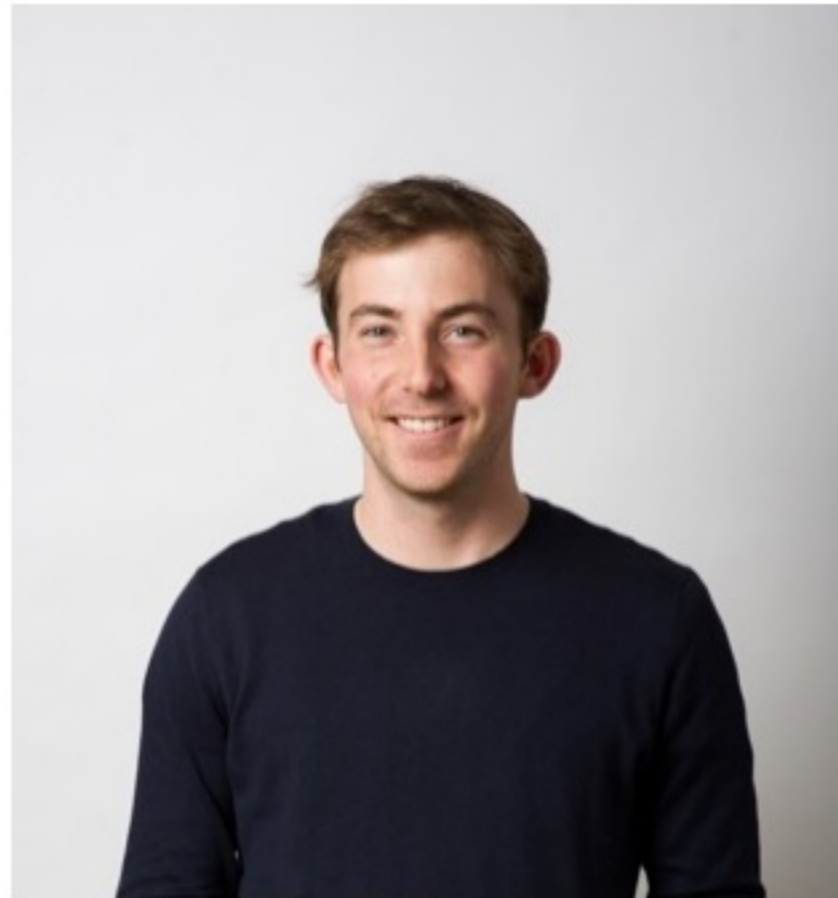


# How Wealthsimple raised \$2MM in 2 weeks

@mkatchen  
@getwealthsimple

# About me



Mike Katchen, @mkatchen

- Wealhtsimple
- 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.

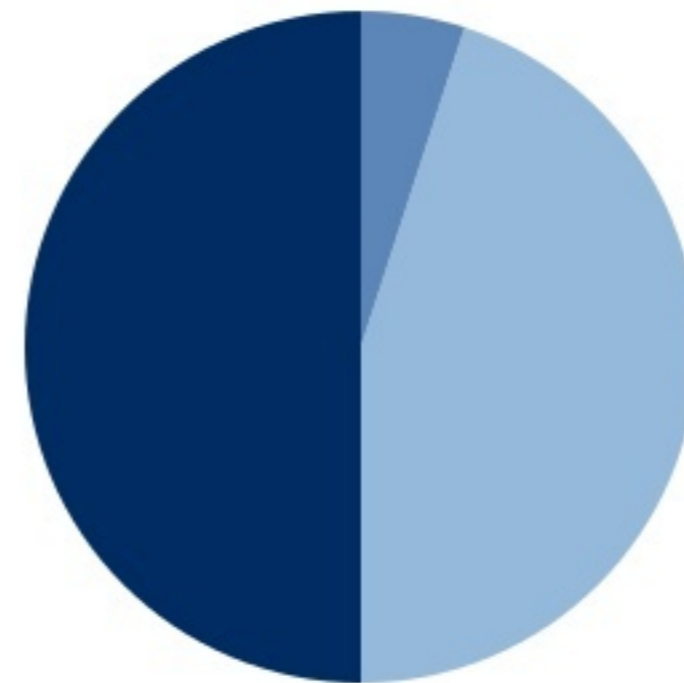
## **Table stakes for seed rounds:**

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



- Business plan
- Team
- Other investors

## Tip #1: Find your lead investor early.

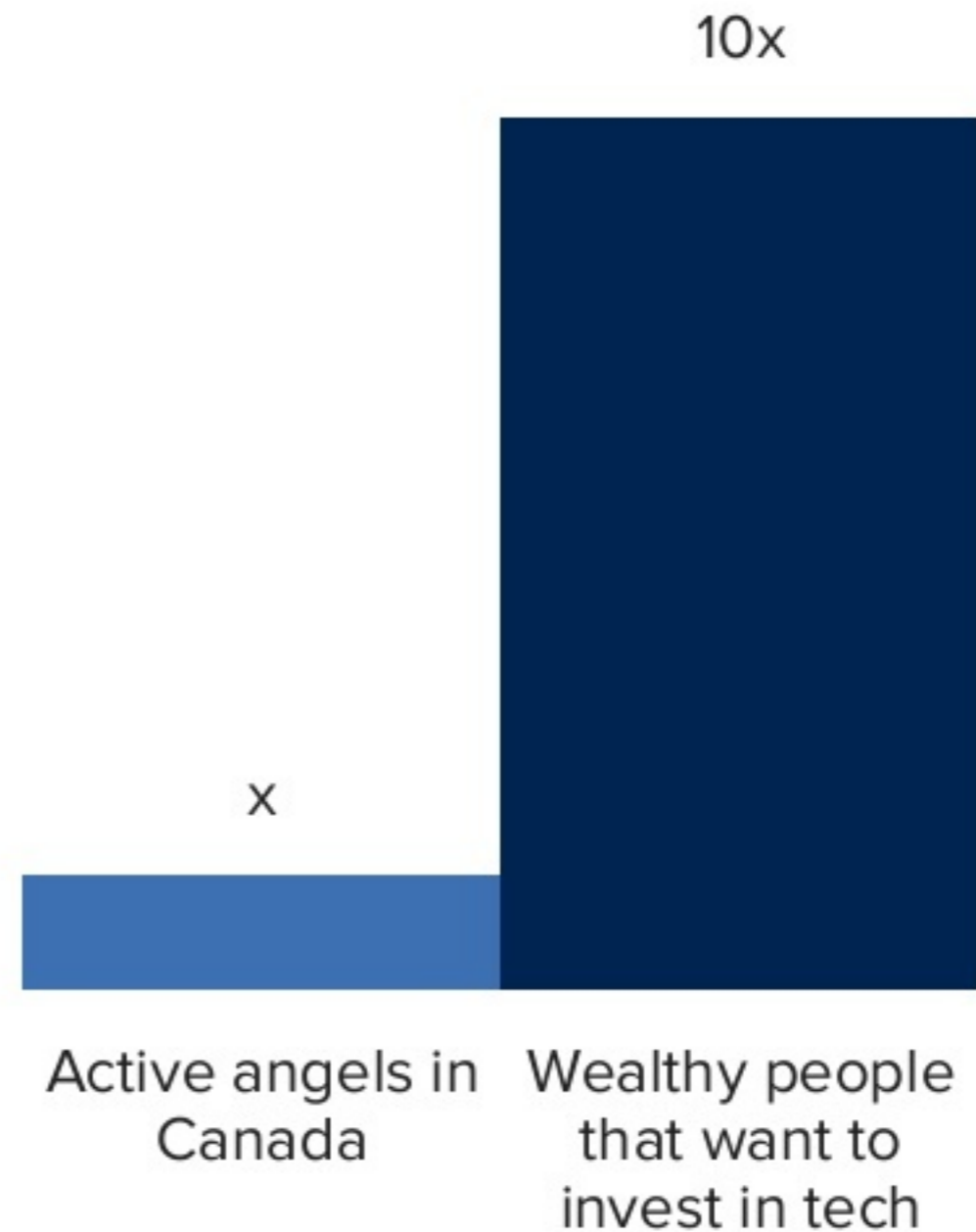


Joe Canavan

- 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.

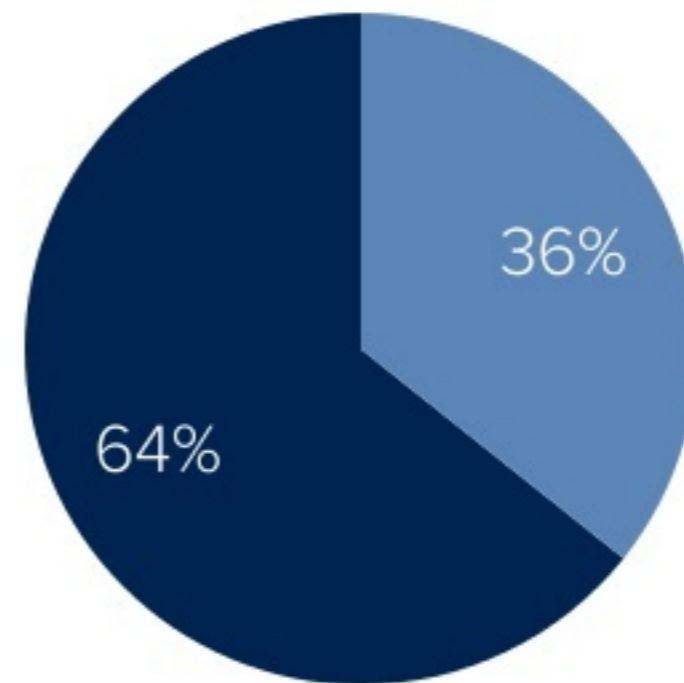
Don't limit your search to active tech angels. Think more broadly about who would support your company.



## 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...



- Tech
- Finance



## 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	<b>Mutual funds</b> transform the way investors save for retirement
1990s	<b>Discount brokerage</b> creates an easy, low cost solution for DIY investors
2000s	<b>ETFs</b> become a credible, low-cost, liquid alternative to mutual funds
2010s	<b>Online solutions</b> 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

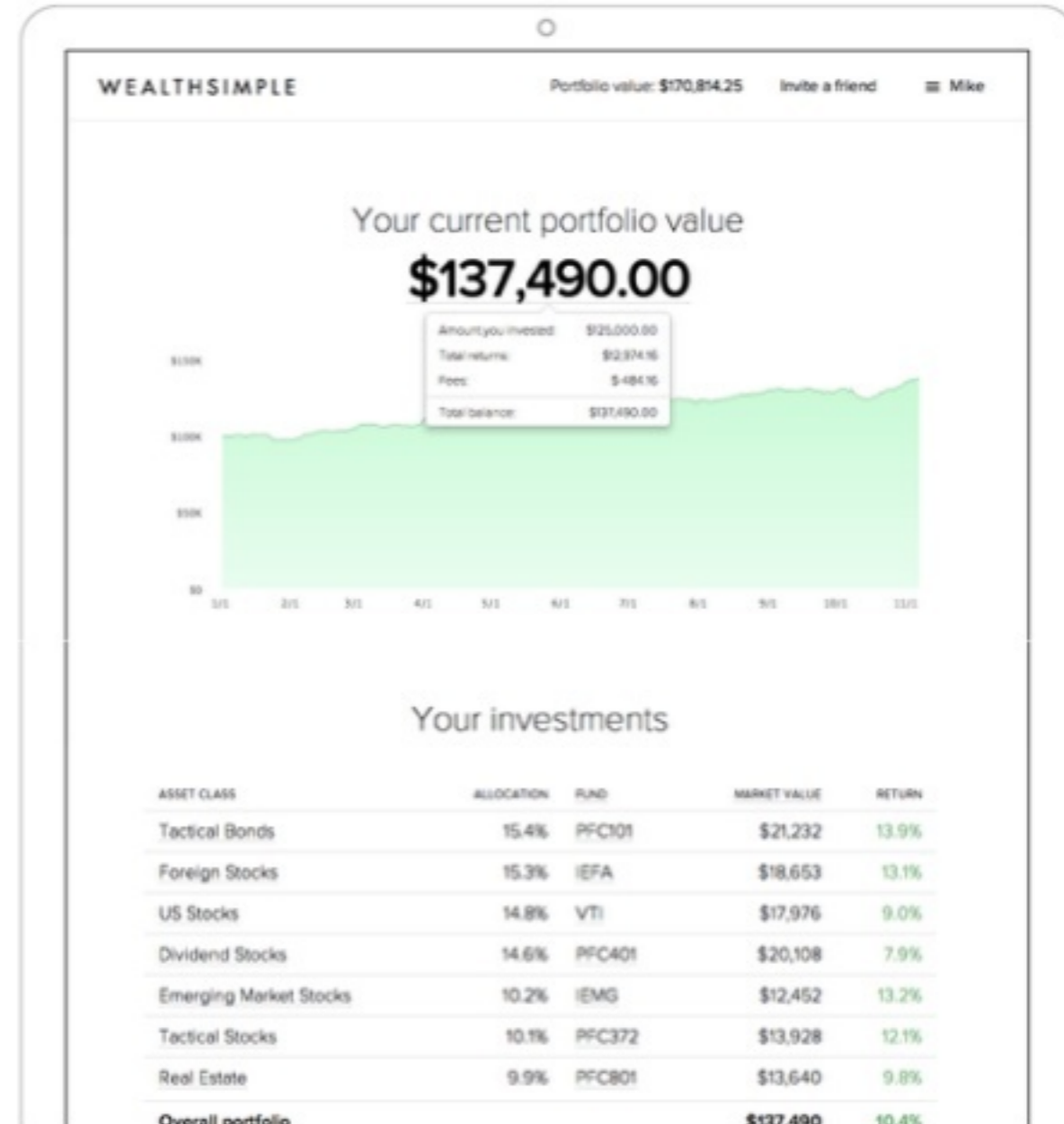
We build clients fully-diversified portfolios tailored to their risk profile and investment goals.

## SIMPLE EXPERIENCE

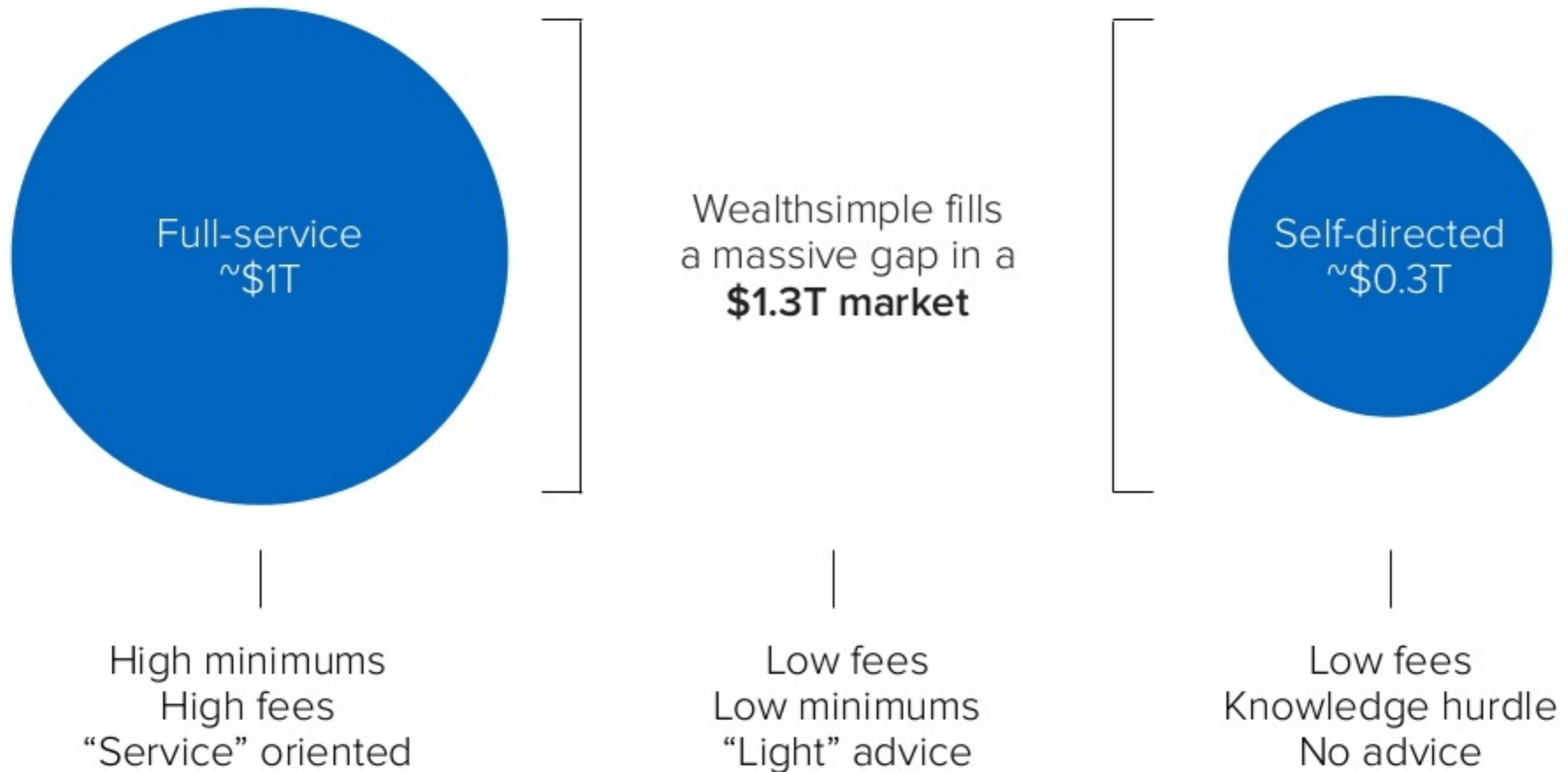
We simplify the entire experience from account opening to reporting via web or mobile.

## DEDICATED SUPPORT

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

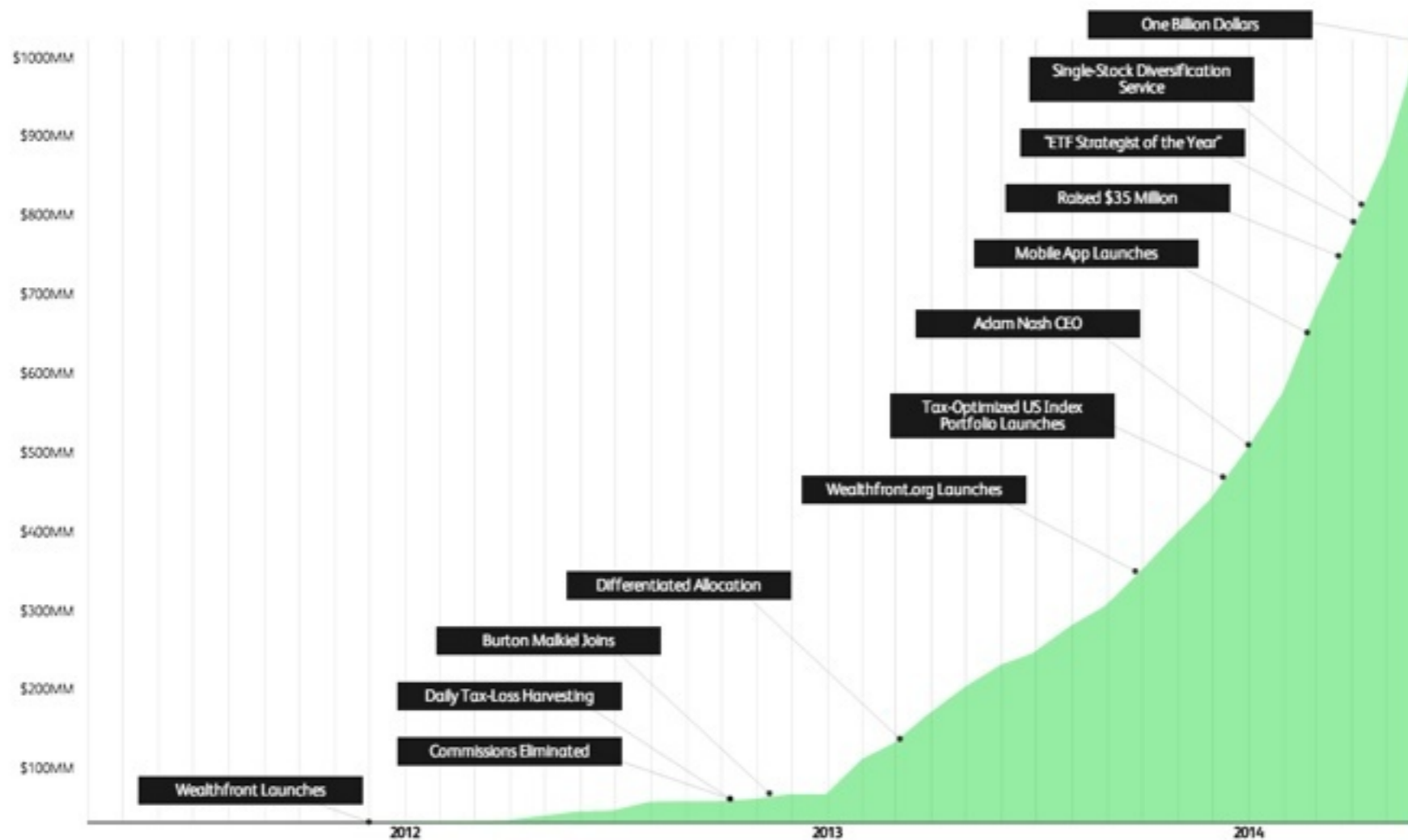


# The Canadian market opportunity



# 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 of Marketing, Conversion Media, Powered by Search
- Founder, Marketers without Borders, Marketers Unbound



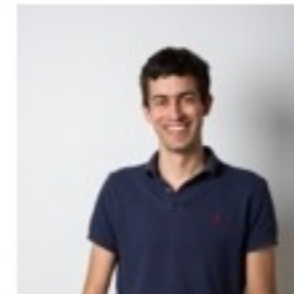
**Kayla Wilson, Associate Wealth Concierge**

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



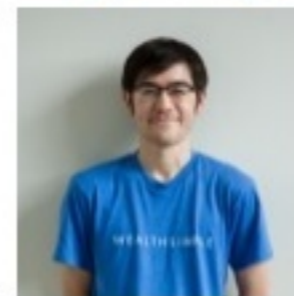
**Brett Huneycutt, COO**

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



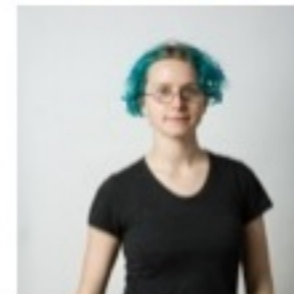
**Bruno Virlet, CTO (pending)**

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



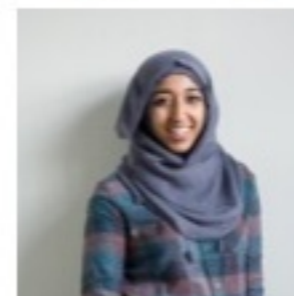
**Peter Graham, Engineer**

- 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](http://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?