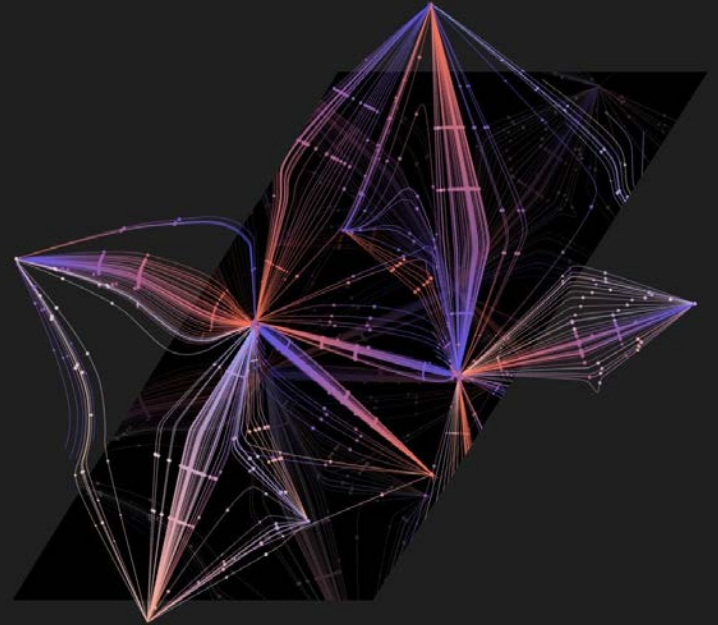


F/PRIME

State of Fintech

2022



State of Fintech Team

David Jegen
Managing Partner



John Lin
Principal



Abdul Abdirahman
Senior Associate



Amrit Ramesh
Data Scientist



Sarah Lamont
Associate



Cassandra Duchan Saucedo
Summer Associate





Context

Fintech is on fire in both public & private markets

- Fintech startups have raised nearly \$120B of capital in private markets this year, with over 300 mega rounds (\$100M+).
- Fintech startups are exiting to public markets with increasing velocity and the market is rewarding them with higher revenue multiples and valuations (nearly \$400B in listing valuations for 77 fintech exits in 2021). This enabled public fintech companies to surpass \$1.3T in market cap in Q3 2021.
- To better track fintech disruptors, we've launched the F-Prime Fintech Index and this accompanying State of Fintech Report. The F-Prime Fintech Index has outperformed the S&P 500 and the NASDAQ by 1,000 and 900 percentage points, respectively since 2015.

Fintech disruptors across most fintech categories are collectively capturing significant market share and have generated the majority of industry growth over the past decade

- Payments startups have attracted the largest amount of fintech investments (\$118B+) over the past decade and comprise 74% of the F-Prime Fintech Index by market cap.
- Banking has attracted \$64B+ in investments over the past decade and is seeing significant activity with Nubank (\$40B) & Dave (\$4B) listings and upcoming Aspiration (\$8B) listing.



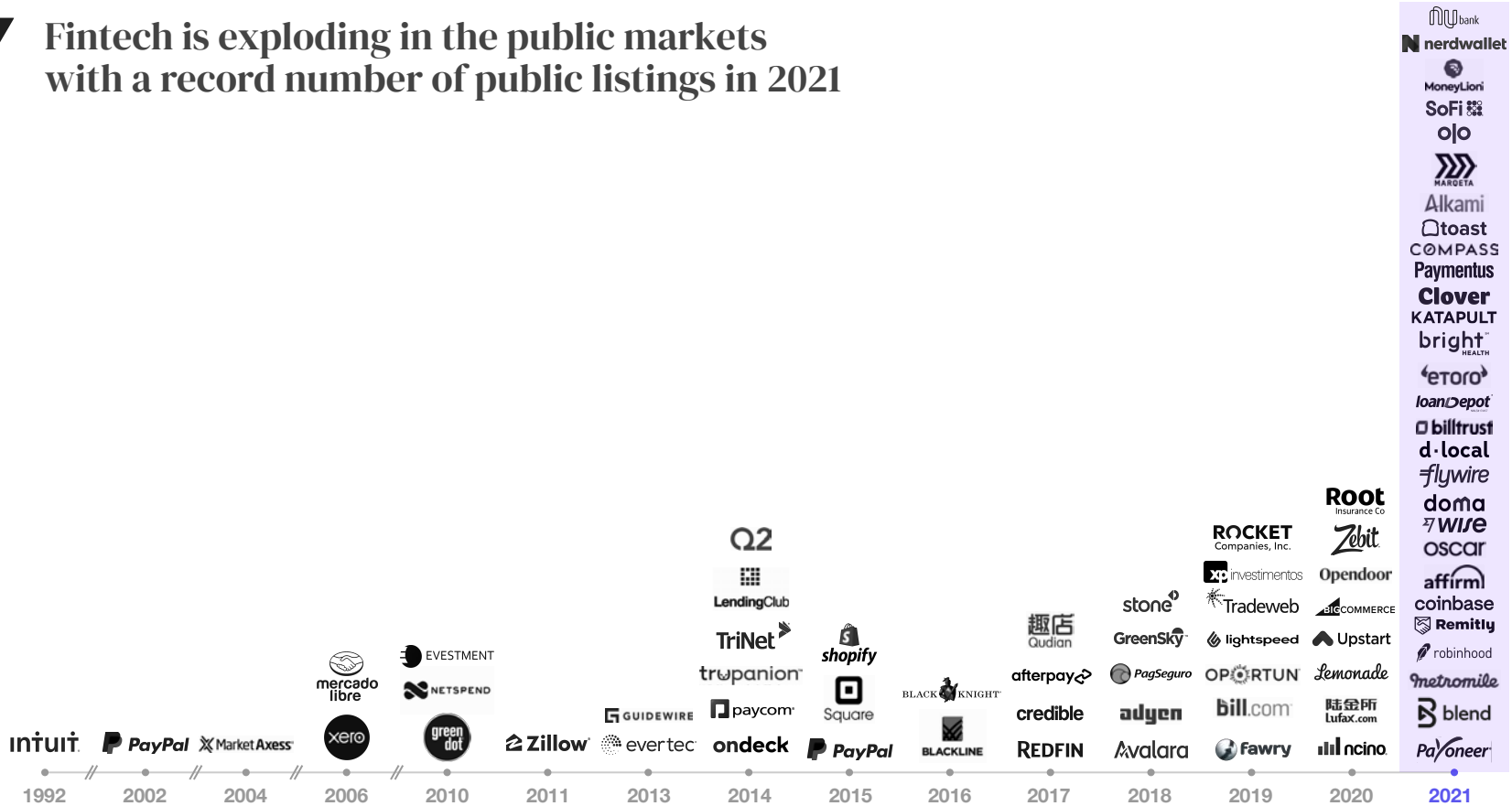
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Public Fintech Overview and F-Prime Fintech Index



Fintech is exploding in the public markets with a record number of public listings in 2021

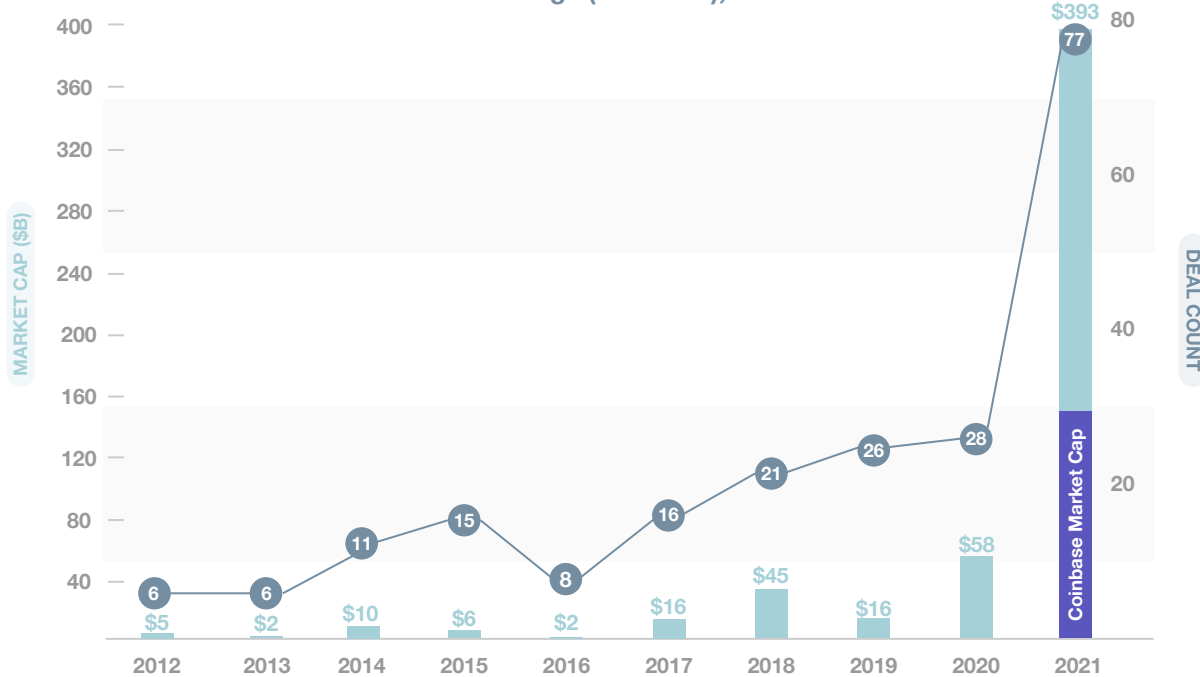


Source: Capital IQ, PitchBook, F-Prime team analysis



In 2021, 77 fintech companies listed for \$393B

VC-backed fintech listings (valuation), 2012 - 2021



Source: PitchBook, F-Prime team analysis

Note: The listed top 2021 IPOs & SPACs account for 3% of \$393 total exit value (at \$261B using IPO valuation)

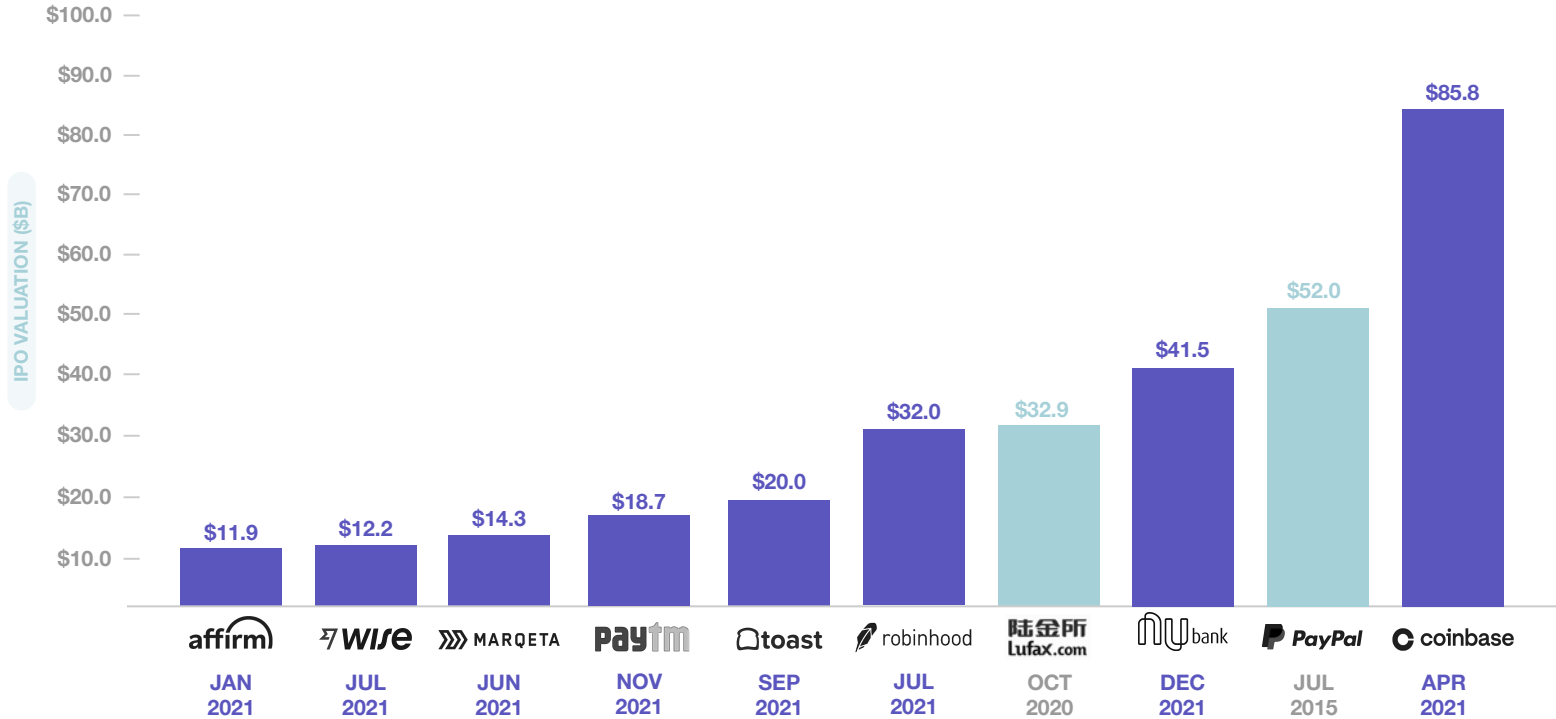
2021 Top IPOs

COMPANY	VALUATION
coinbase	\$85.8B
ny bank	\$41.5B
robinhood	\$32.0B
toast	\$20.0B
paytm	\$18.7B
MARQETA	\$14.3B
wire	\$12.2B
affirm	\$11.9B

2021 Top SPACs

COMPANY	VALUATION
SoFi	\$8.7B
Clover	\$4.5B
Payoneer	\$3.3B
MoneyLion	\$2.4B
Aspiration	\$2.4B
Bakkt	\$2.1B
billtrust	\$1.3B

8 of the largest 10 fintech IPOs have occurred in 2021

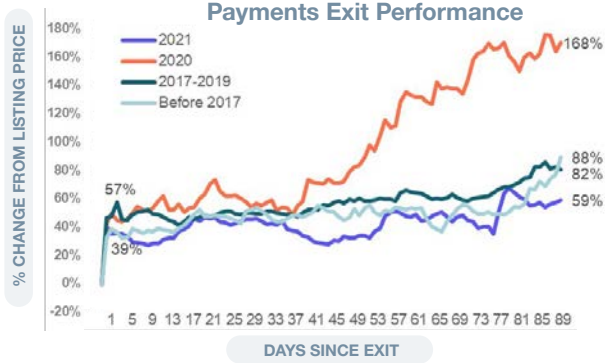
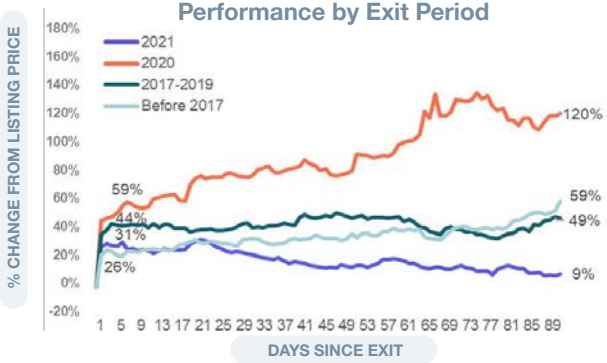
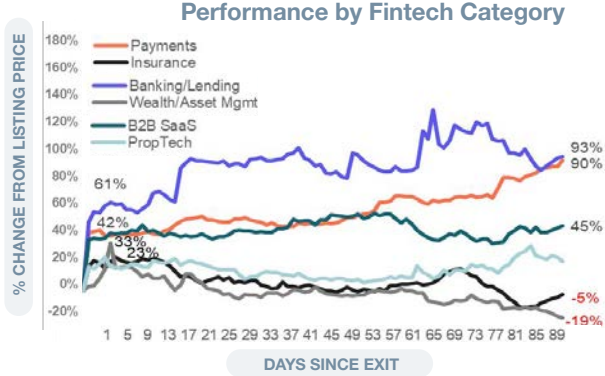
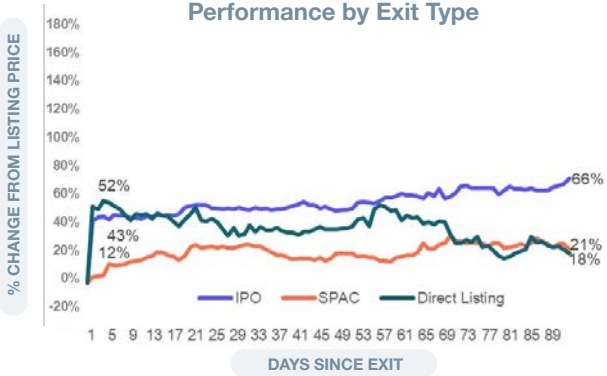


Source: PitchBook, F-Prime team analysis

Note: PayTm is currently only registered in the National Stock Exchange of India (NSE) and not included in the F-Prime Fintech Index.



Fintech stocks have a high variability in performance in the first 90-days following their public listing

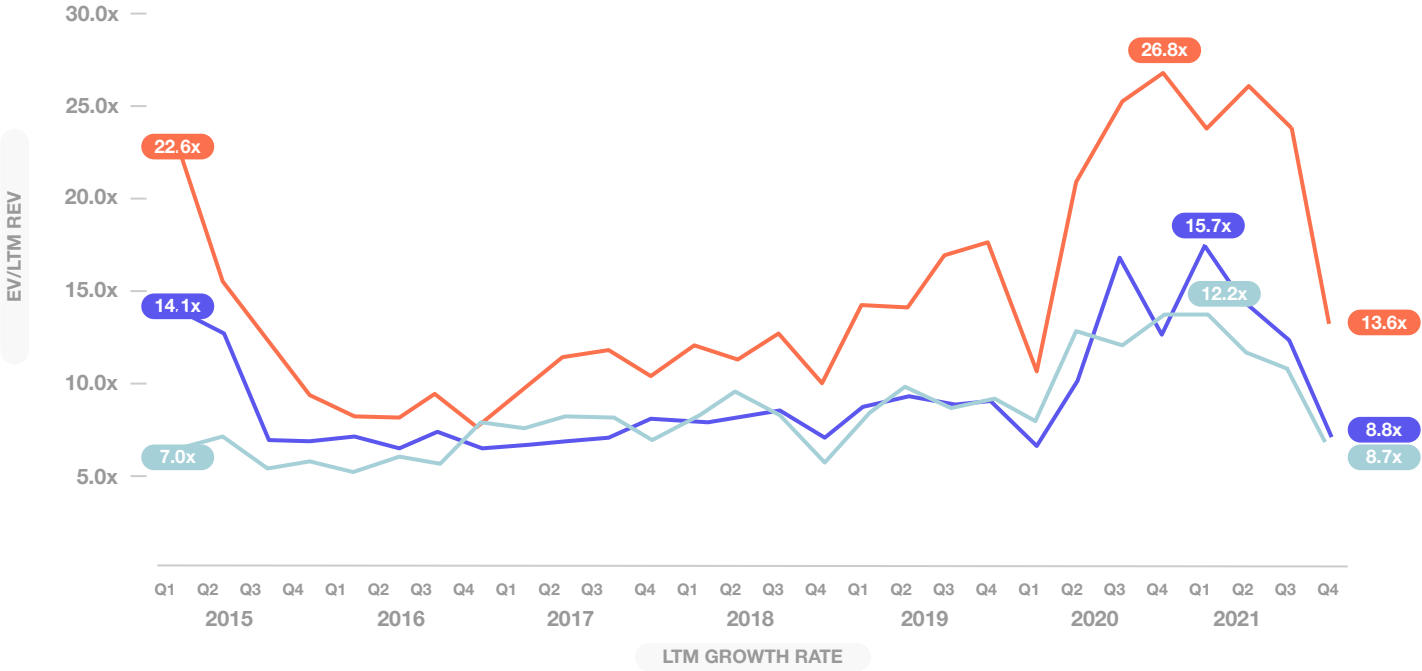


Public investors are differentiating as they learn more about public fintech stocks

Source: Yahoo Finance, F-Prime team analysis
Note: The companies included in the above analysis are the F-Prime Fintech Index Companies



Fintech companies obtained historically high valuation multiples in 2021; these multiples declined in Q4 along with the broader tech sector

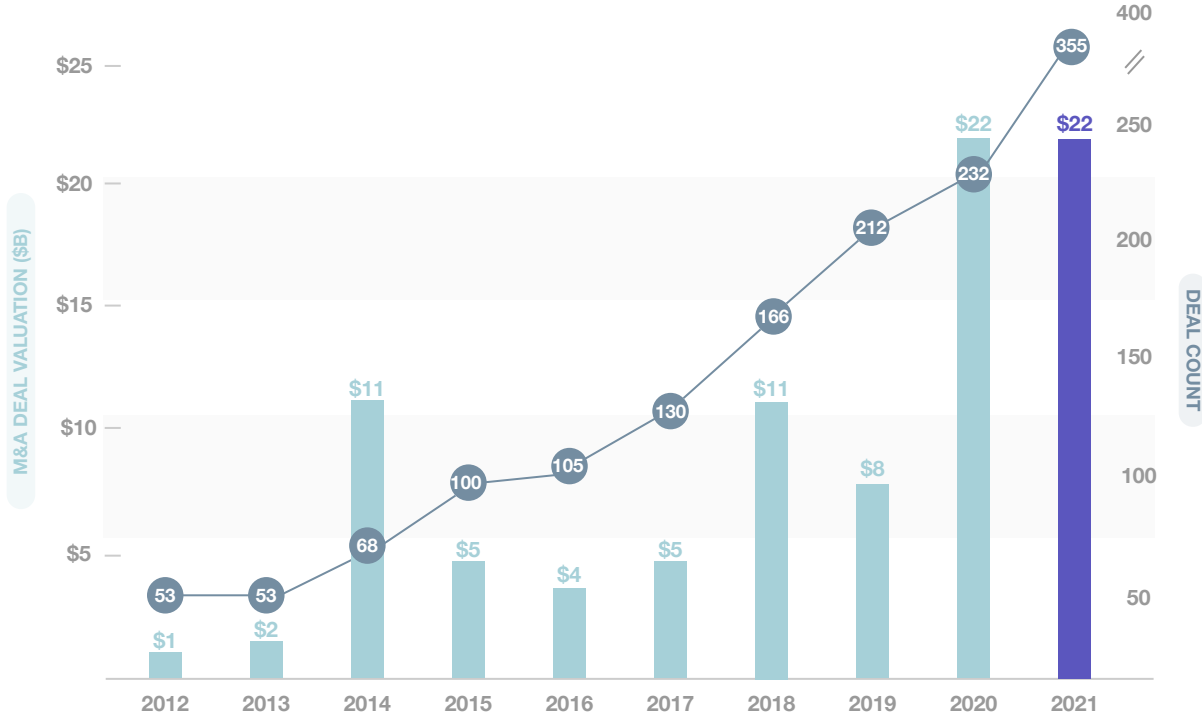


Source: Capital IQ, F-Prime team analysis
Note: The companies included in the above analysis are the F-Prime Fintech Index Companies

- GREATER THAN 40%
- LESS THAN 20%
- BETWEEN 20-40%



In addition to a vibrant IPO market, there have been 355 fintech acquisitions in 2021, totaling \$22B+



2021 Top M&A

COMPANY	ACQUIRER	VALUATION
BillDesk	PayU	\$4.7B
Palo Alto Networks	PayPal	\$2.7B
Divvy	bill.com	\$2.3B
tink	VISA	\$2.2B
BitGo	GALAXY DIGITAL	\$1.2B
nutmeg	J.P.Morgan	\$1.0B
Currencycloud	VISA	\$930M
Invoice2go	bill.com	\$625M
LEVELSET	PROCORE	\$500M
mineraltree	globalpayments	\$500M

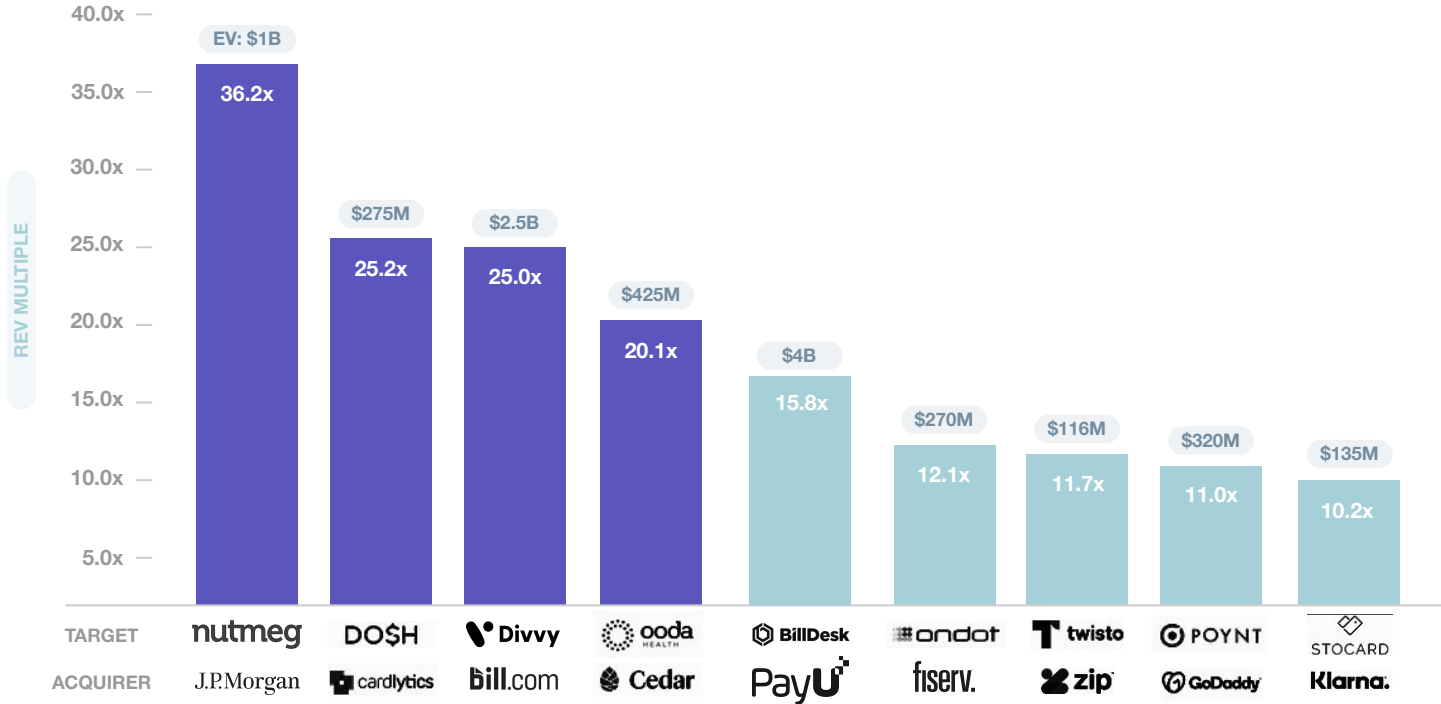
F-Prime/Eight Roads Portfolio

Source: PitchBook, F-Prime team analysis

Note: The listed top 2021 M&As account for 75% of \$22.1B total (at \$16.7B)

II F-PRIME Note: M&A activity above is of private venture-backed startups; figures exclude public market acquisitions (e.g., Square's acquisition of AfterPay)

Several large fintech acquisitions have mirrored the high public valuation multiples



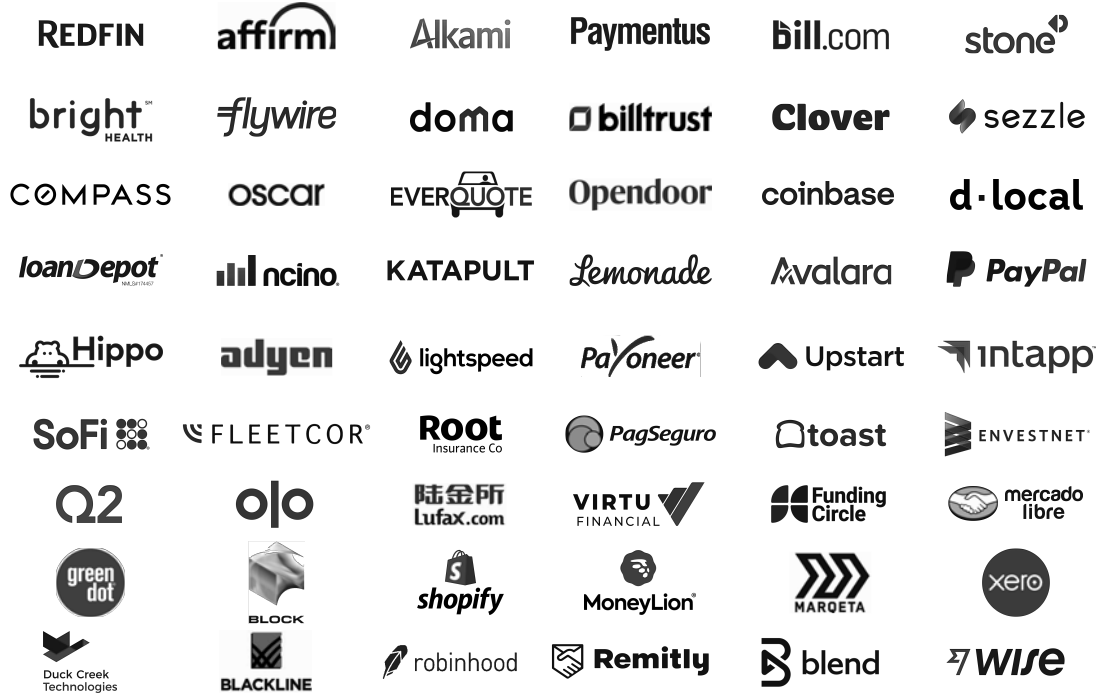
Source: Capital IQ, F-Prime team analysis

● 2021 ACQUISITIONS FOR 20x+ REVENUE MULTIPLE
 ● 2021 ACQUISITIONS BELOW 20x REVENUE MULTIPLE



F-Prime Fintech Index Overview

The F-Prime Fintech Index comprises the following emerging financial technology companies. Criteria include capitalization, liquidity, growth rates, founding year and listing exchange.



54
Companies

\$1T
Market cap

\$45B
Raised

11x
Revenue multiple

62%
Annual revenue
growth rate

Source: Capital IQ, PitchBook, Yahoo Finance, F-Prime team analysis

Note: All figures as of 12/31/2021

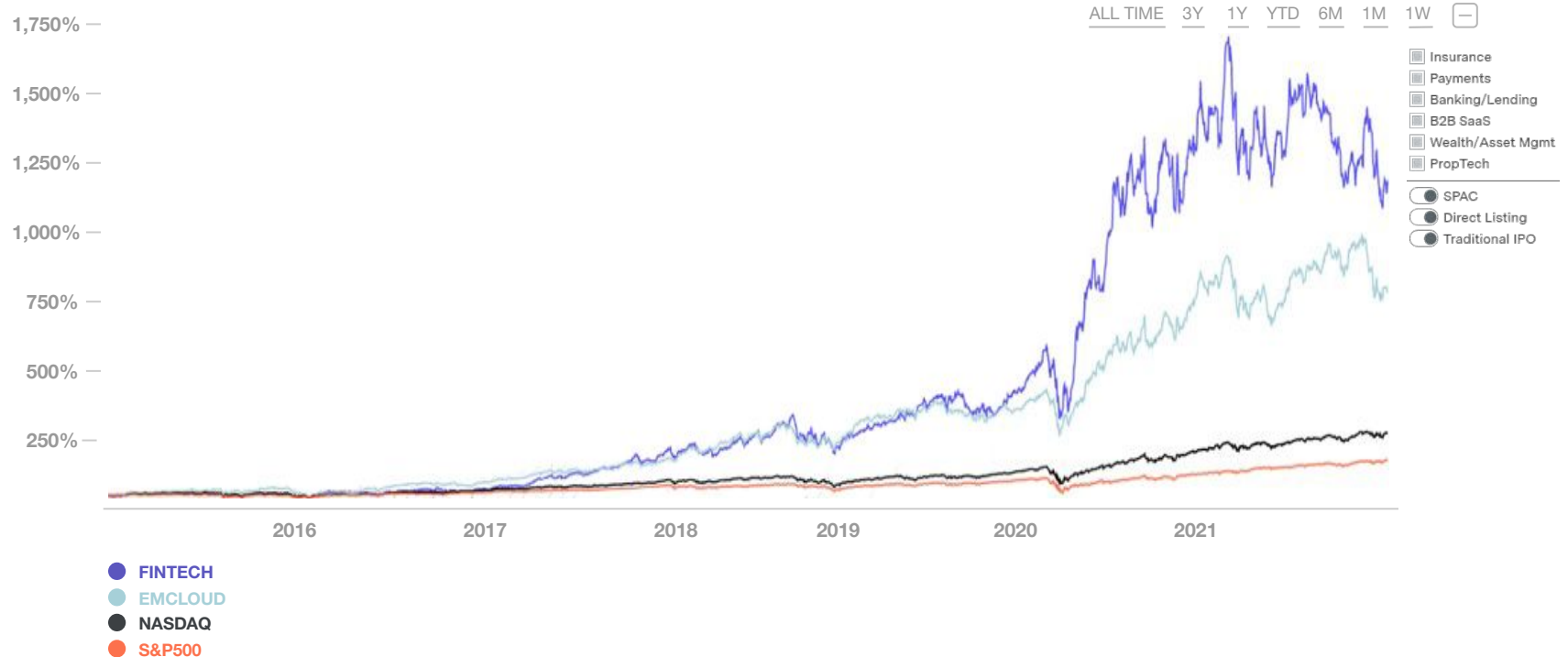
With the unprecedented level of activity, we created the F-Prime Fintech Index to track performance of disruptive public fintech companies

+1,132% Fintech Index

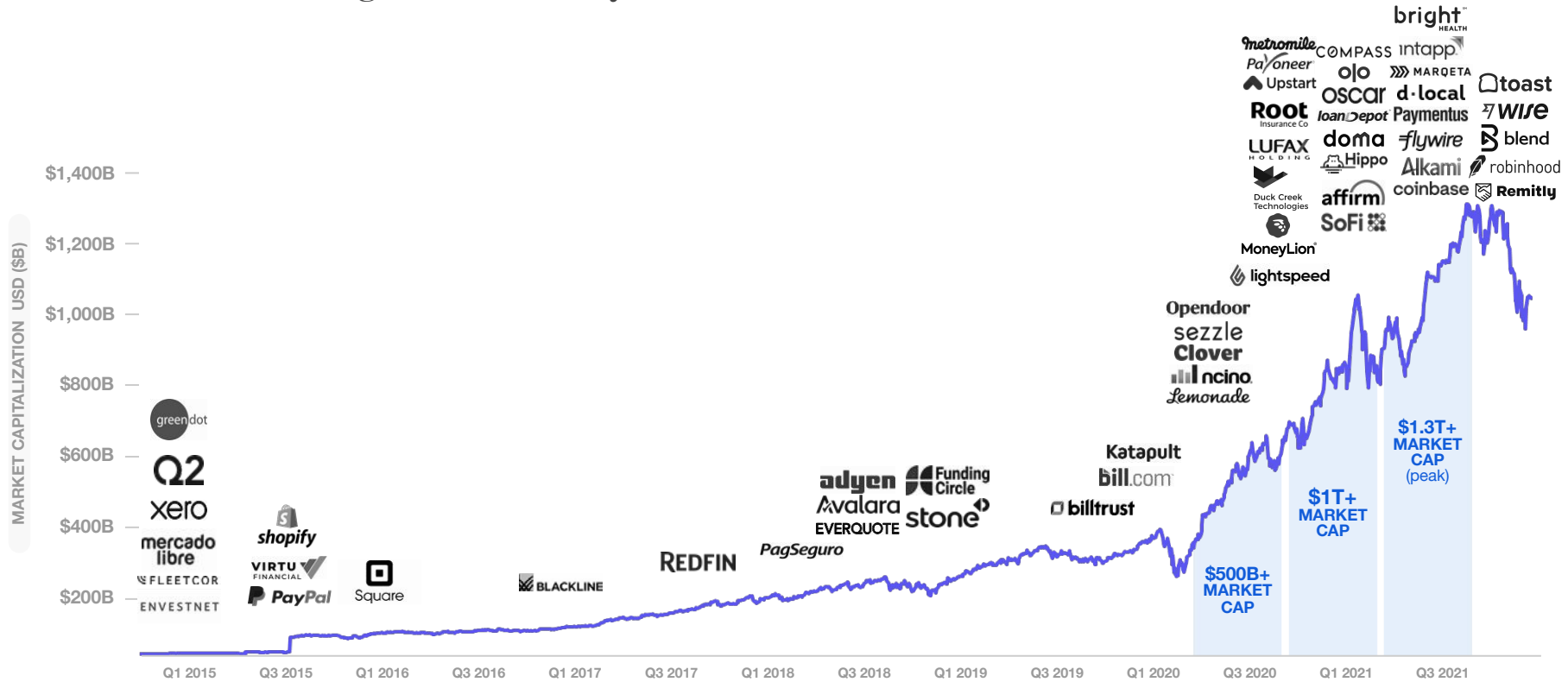
+775% EMCLOUD Index

+231% NASDAQ Index

+132% S&P 500



The F-Prime Fintech Index surpassed \$1.3 trillion in market cap in Q3 2021, before declining to \$1 trillion by December 31st, 2021

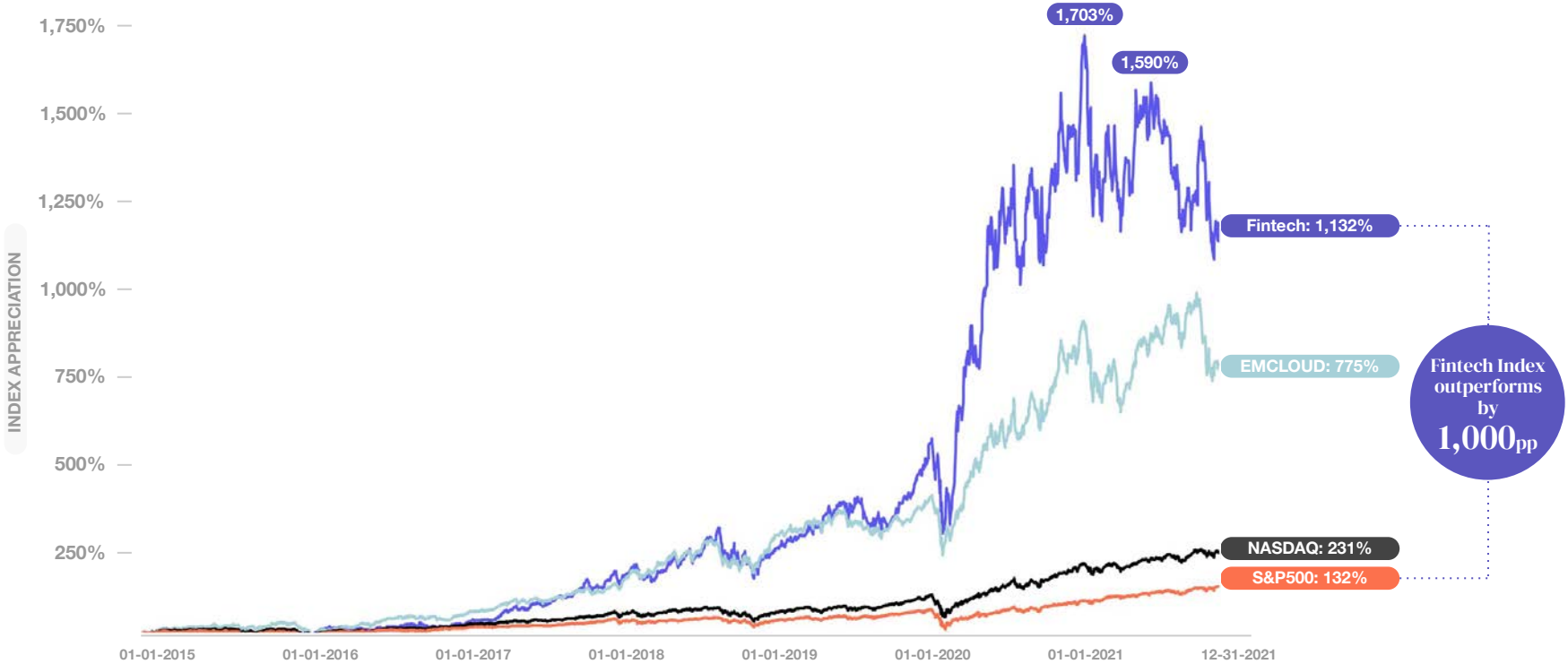


Source: Capital IQ, Yahoo Finance, F-Prime team analysis

Note: Metromile subsequently removed from F-Prime Fintech Index due to pending acquisition.



The F-Prime Fintech Index has outperformed the S&P 500 by 1,000 percentage points over the last seven years

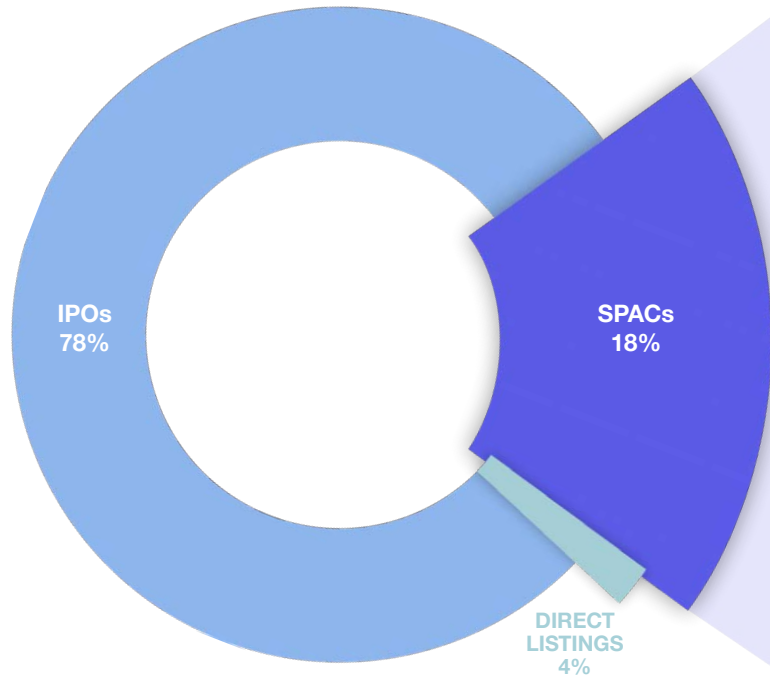


Source: Yahoo Finance, F-Prime team analysis

Note: All indexes are market cap weighted with exception of EMCLOUD. See [F-Prime Fintech Index website](#) for live performance.



18% of F-Prime Fintech Index companies have gone public via Special Purpose Acquisition Companies (SPACs), all since December 2020



Note: Upon seasoning, we will add a number of fintech companies that have already gone or will go public to the F-Prime Fintech Index, if they continue to meet the F-Prime Fintech Index inclusion criteria.

SPACed fintechs

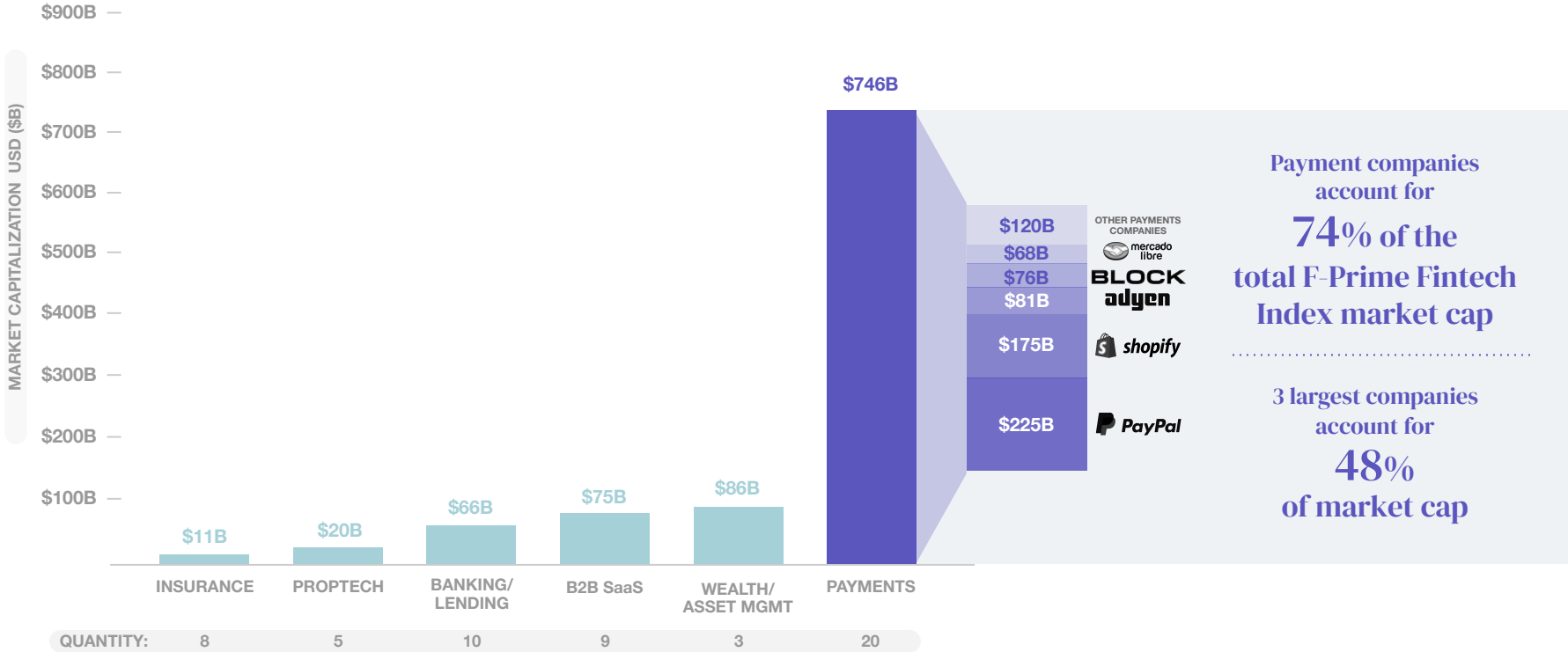
COMPANY	VALUATION	MERGER DATE
Opendoor	\$18B	Dec 2020
SoFi	\$9B	Jun 2021
Hippo	\$5B	Aug 2021
Clover	\$4B	Jan 2021
Payoneer	\$4B	Jun 2021
doma	\$3B	Jul 2021
MoneyLion	\$3B	Sep 2021
Bakkt	\$2B	Oct 2021
billtrust	\$1B	Jul 2021
metromile	\$1B	Feb 2021
Katapult	\$1B	Jun 2021

Upcoming SPAC mergers

COMPANY	VALUATION	DATE ANNOUNCED
etoro	\$10B	Jun 2021
better	\$8B	May 2021
APEX Clearing	\$5B	Feb 2021
dave	\$4B	Jun 2021
acorns	\$2B	May 2021



Payment companies make up the majority of F-Prime Fintech Index at \$746B in market cap



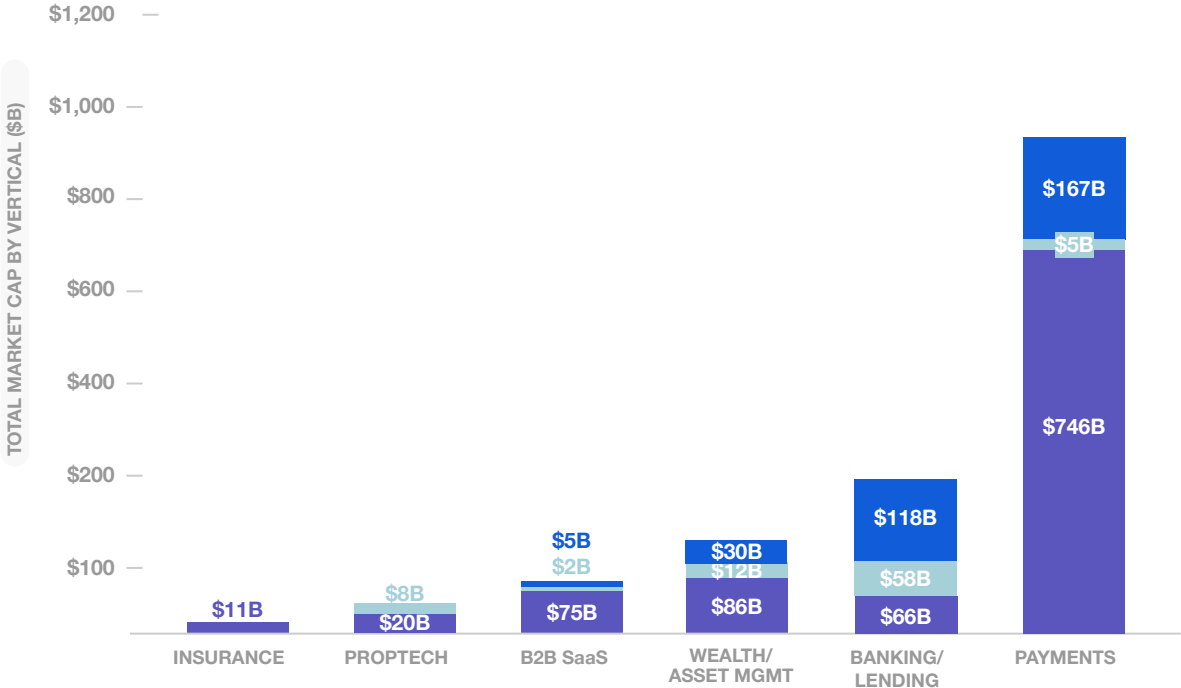
Payment companies account for **74%** of the total F-Prime Fintech Index market cap

3 largest companies account for **48%** of market cap

Source: Capital IQ, F-Prime team analysis
Note: Market cap as of 12/31/2021



With recent and upcoming listings, the F-Prime Fintech Index is likely to add another ~\$500B over the next few years



Source: PitchBook, TechCrunch, Capital IQ, F-Prime team analysis
 Note: Recent IPOs added to index after 3 months of trading in public markets
 Valuation date: 12/31/2021

- POTENTIAL FUTURE LISTINGS
- RECENT & ANNOUNCED IPOs
- FINTECH INDEX COMPANIES

Recent & Announced Exits

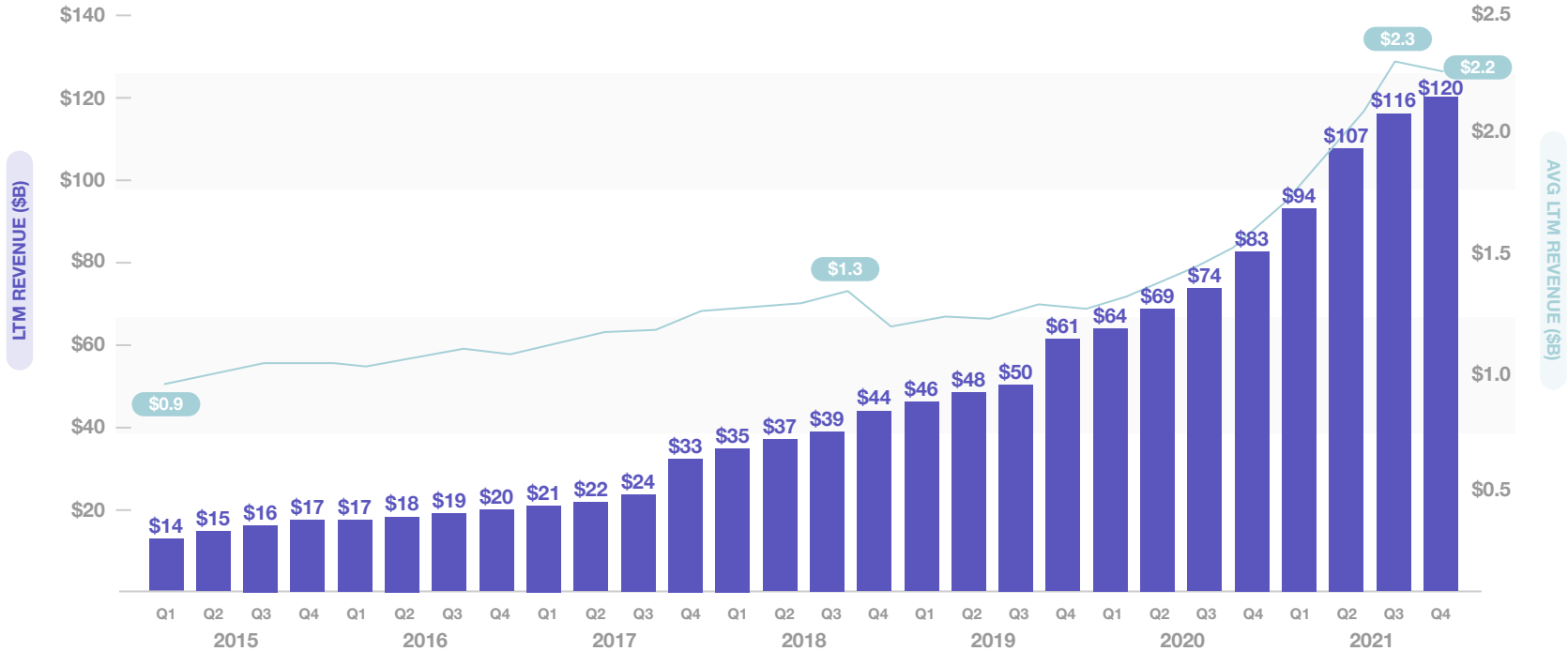
COMPANY	VALUATION	IPO DATE
NU	\$40B	Q4 2021
eToro	\$10B	Q1 2022
Aspiration	\$8B	Q1 2022
Better	\$8B	Q1 2022
avidxchange	\$4B	Q4 2021
Dave	\$4B	Q1 2022
finAcel	\$3B	Q1 2022
Bakkt	\$2B	Q4 2021
Expensify	\$2B	Q4 2021

Potential Listing Candidates

COMPANY	VALUATION
stripe	\$152B
Klarna	\$46B
Revolut	\$33B
chime	\$25B
FTX	\$25B
checkout.com	\$15B
PLAID	\$14B

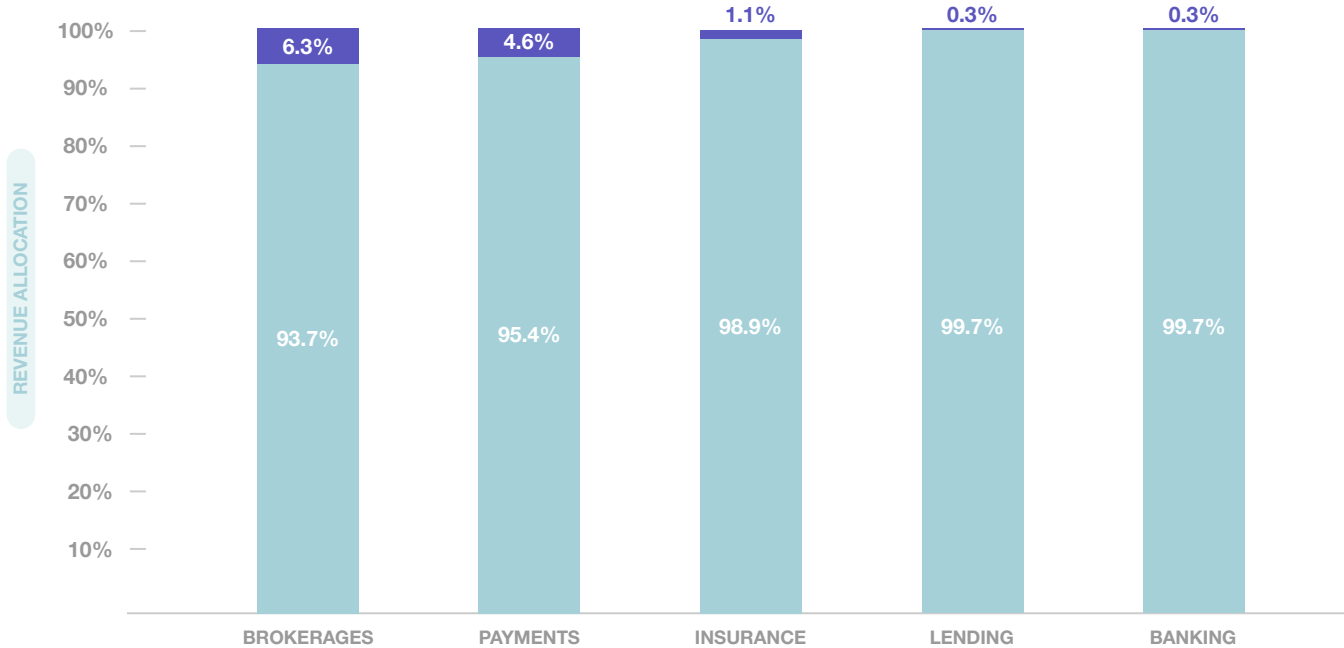


Startups in the F-Prime Fintech Index have generated \$120B+ in revenue over the LTM to Q4 2021



Source: PitchBook, F-Prime team analysis

Despite this remarkable rise in fintech, venture-backed startups have captured less than 10% of U.S. industry revenue with tremendous room for growth



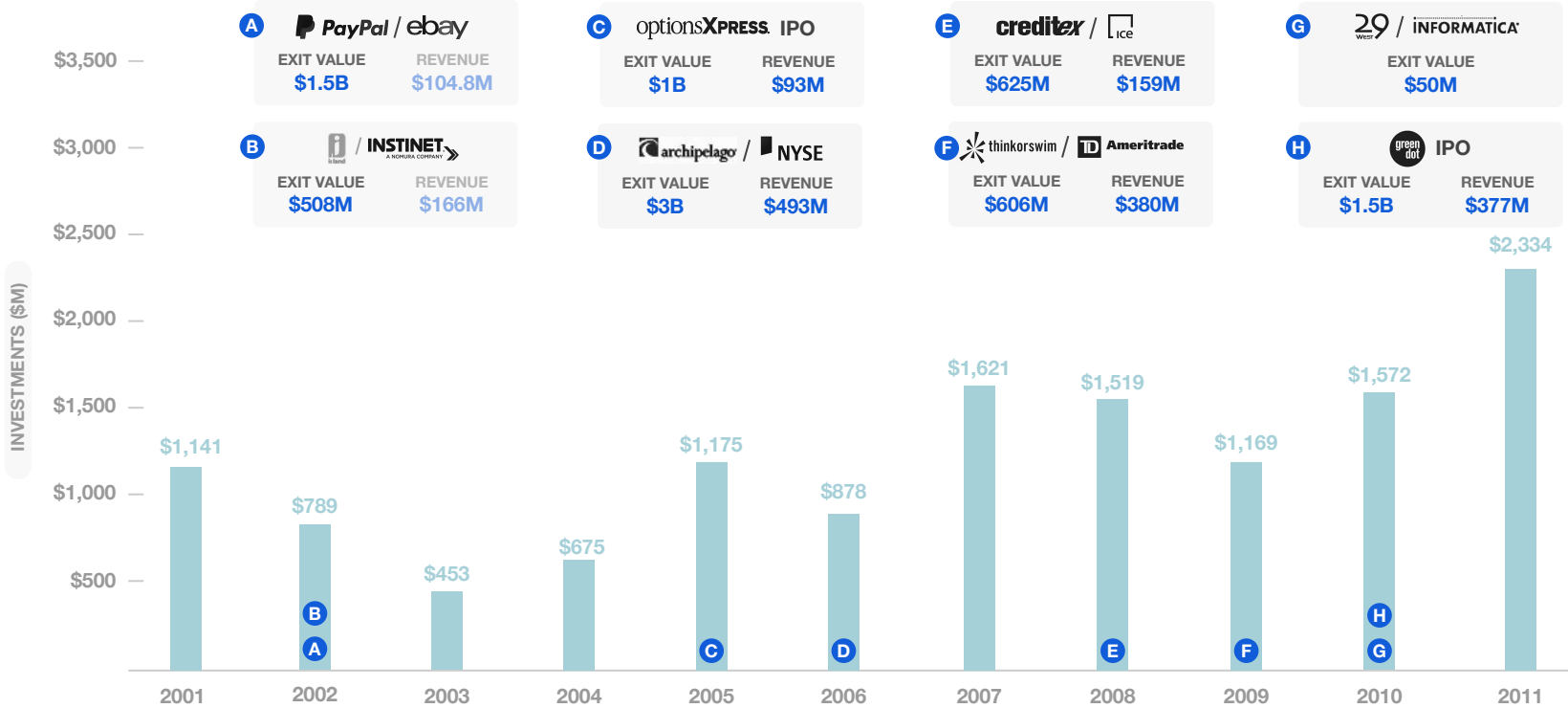
Source: IBIS World Industry Report, Company 10Ks, PitchBook, F-Prime team analysis

● INCUMBENTS
● DISRUPTORS

Private Startups and Funding



Fintech used to be a sleepy niche in venture and was limited to selling tech to financial institutions...

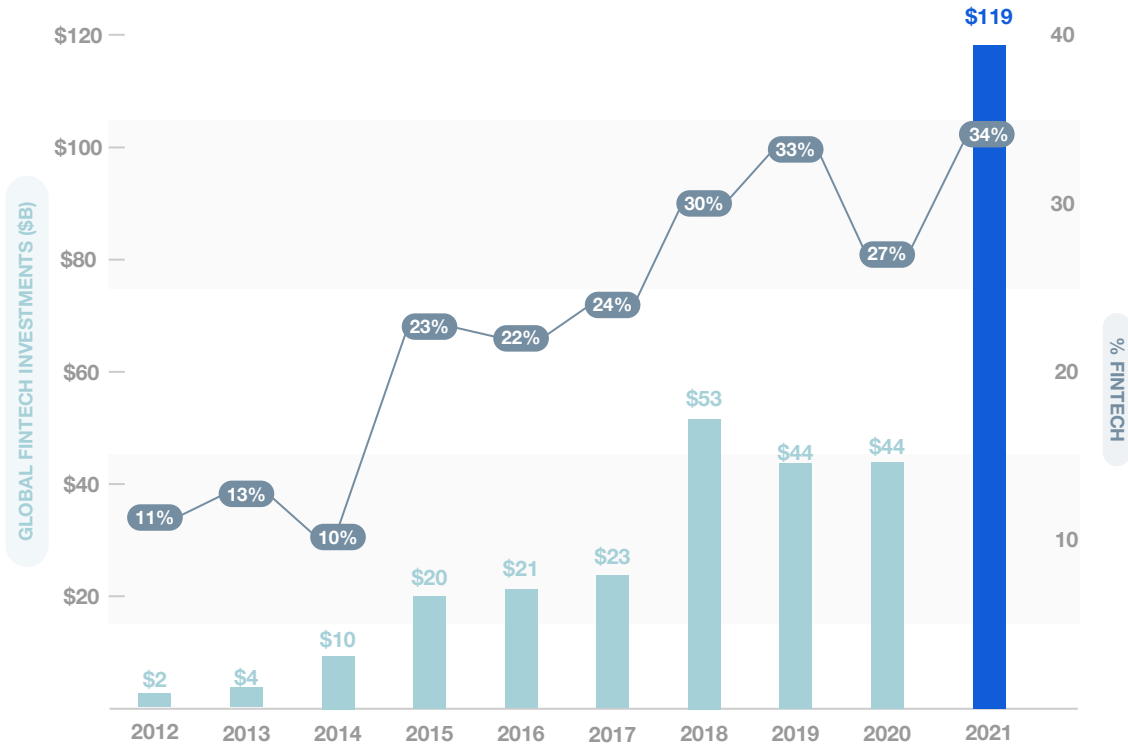


Source: PitchBook, F-Prime team analysis

Note: Includes venture-backed financial institutions, financial management software, and financial services software; GreenDot is the first F-Prime Fintech Index IPO

● FINTECH INVESTMENTS
● FINTECH EXITS

...But over the last few years, fintech has become one of the largest segments in tech venture capital, accounting for over 30% of global tech investments

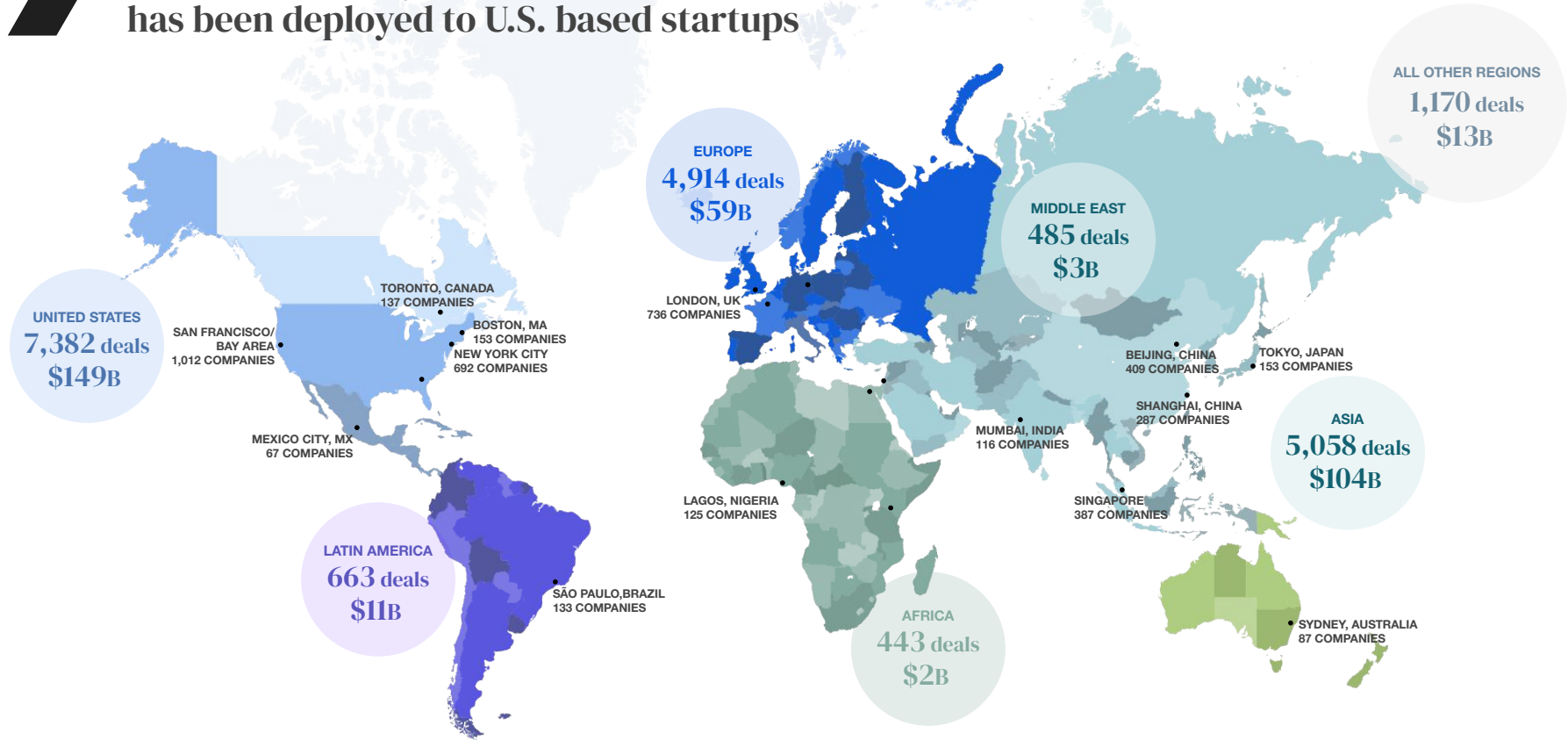


2021 represents **nearly 35%** of **\$342B** invested in fintech since 2012

Fintech funding has nearly tripled in 2021

Source: PitchBook, F-Prime team analysis

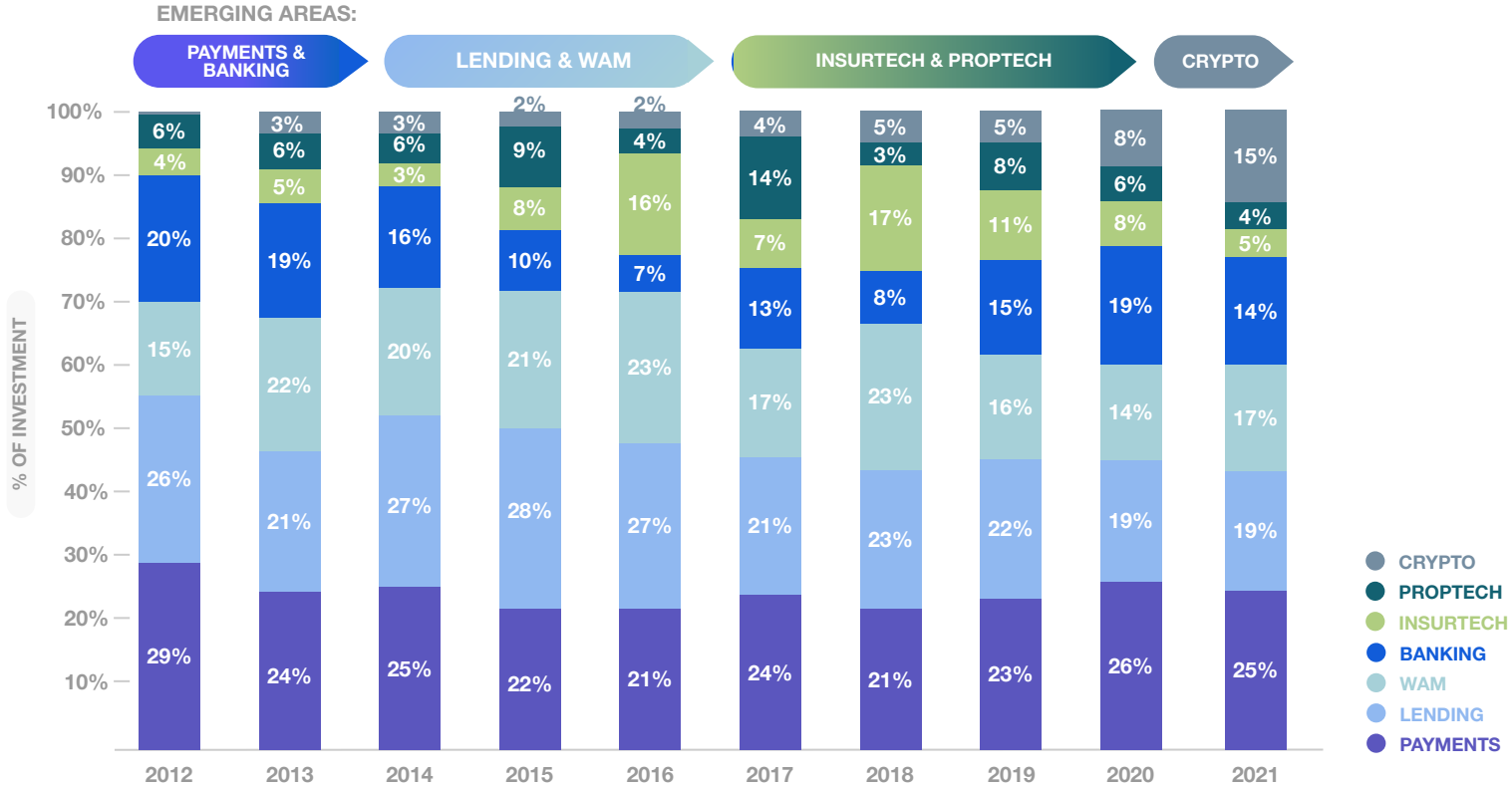
Since 2012, nearly 45% of capital invested in fintech has been deployed to U.S. based startups



Source: PitchBook, F-Prime team analysis



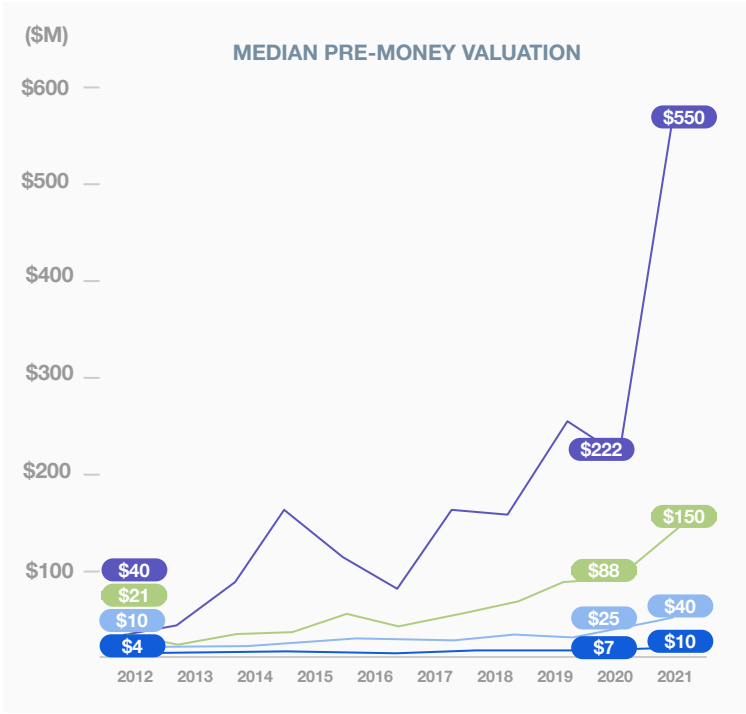
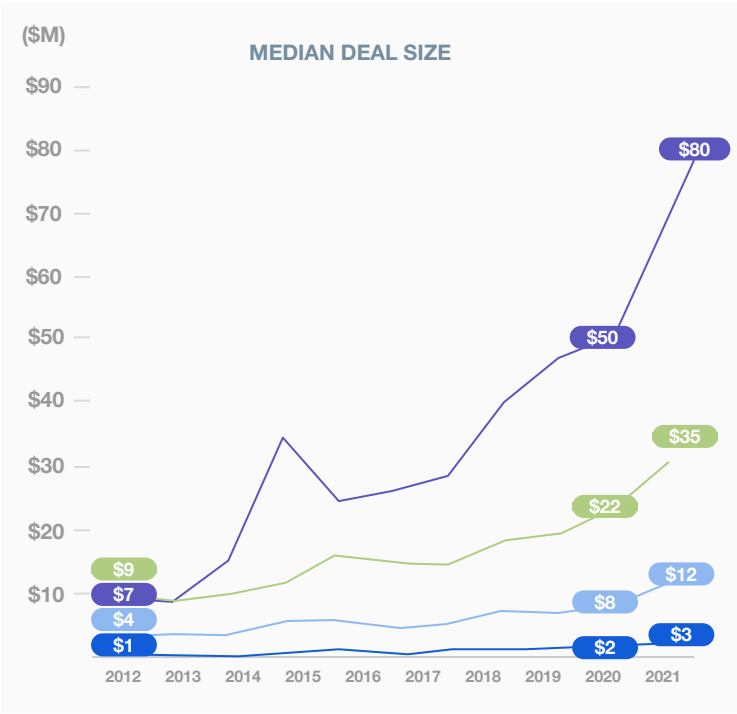
Payments and lending were first to ignite, but startups and venture capital are now active across all financial sectors



Source: PitchBook, F-Prime team analysis
Note: Not mutually exclusive fintech categories



Median deal size and valuations continue to trend upwards across all deal stages – most notably for later-stage companies

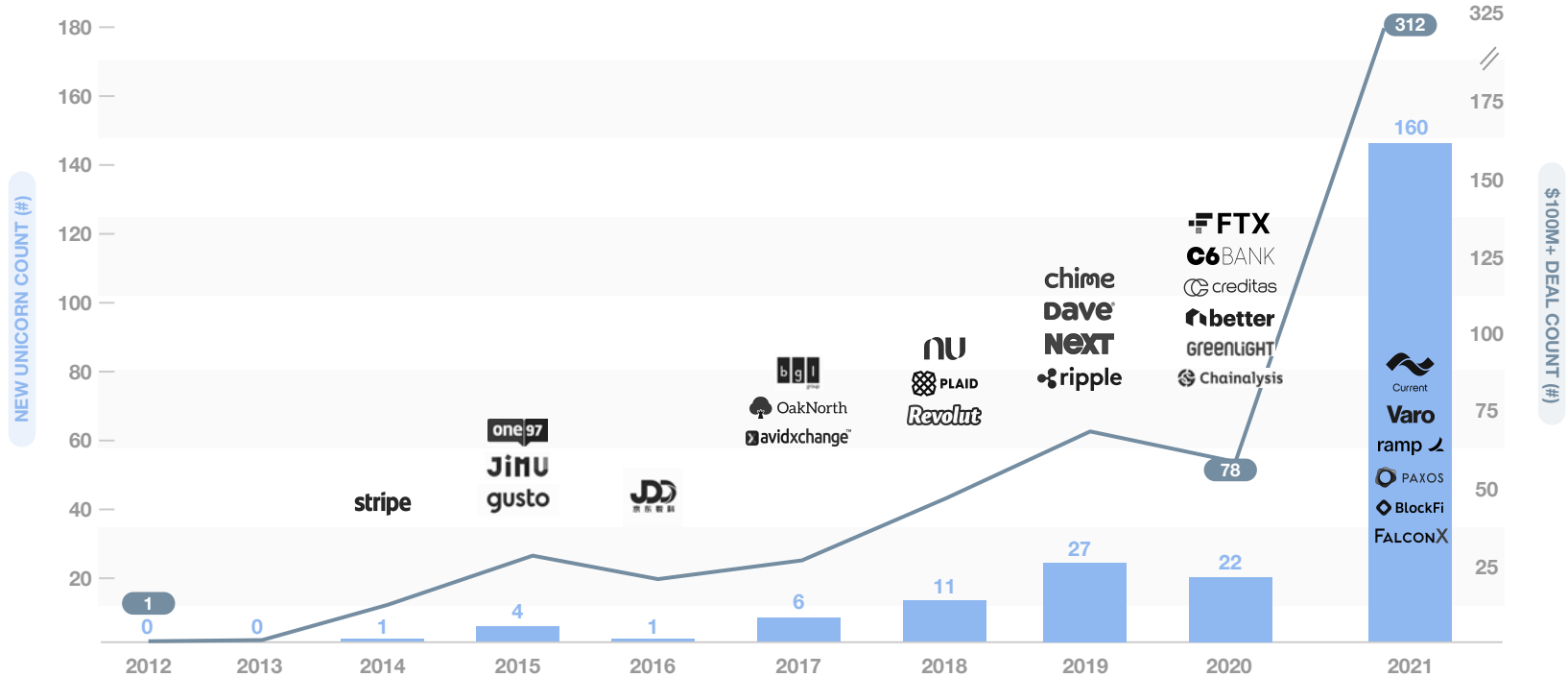


Source: PitchBook, F-Prime team analysis

- SEED
- SERIES A
- SERIES B
- SERIES C



A significant increase in the number of \$100M+ rounds has fueled the creation of a record 150+ newly minted fintech unicorns in 2021



Source: CB Insights, PitchBook, F-Prime team analysis

There are now 200+ private fintech unicorns globally

U.S. & CANADA

CANADA

Blockstream CLEARCO Clio
Dapper FIBOX Figment Wealthsimple

UNITED STATES

ADDEPAR ALLOY at bay BlockBRAIN Brex Brexpoint centus chime ChivoCover compass DAVE DriveWealth FALCONX #toOast GEMINI Guideline highradius ibotta interos Intermine M MobileCoin MX openSea paycomglobal pingpong Public ReCharge Self smartAsset spoon sunbit zebra TRADESHIFF TripActions unork VISE zebraBusiness zeta

agentSync alchemy ANCHORAGE DIGITAL AMOUNT at Betterment Bolt Bolt fintech c2FO Cedar Changebase CIRCLE Clari Collective Health dailyPay Divvy extend Firelocks Fundbox GREENLIGHT HealthCare.com HUMAN Interest gusto HomeLight Capital ONE ivera ivalua MOONPAY MOONREPUBLIC OFFCHAIN LABS NEXT Orchard PACASO pilot PAXOS PLaid ramp ripple remote uscar health signify secure stripe STASH SYMPHONY TAXbit TORPAGO TradingView TRUMID upgrade Varo wrapbook

EUROPE

UNITED KINGDOM

Blockchain.com BOUSSET FYNARY MAMBU MOONFARE N26 checkOut.com marshmallow MONZO OakNorth ppro radius Rapyd Revolut rezolve SaltPay Starling Bank sumup Thought Machine TRACTABLE TRUELAYER ZEGO

GERMANY

scalable solarisBank TRADE REPUBLIC wefox

NETHERLANDS

BITFURY bunq molle bitpanda

FRANCE

Ledger Lydia alan Shift Technology sorare swile

NETHERLANDS

bitfury bunq molle

AUSTRIA

bitpanda

DENMARK

LUNAR PEO

SWITZERLAND

CONCORDIUM Numbro

SWEDEN

Klarna.

RUSSIA

Tinkoff Bank

LATIN AMERICA

ARGENTINA

ualá

MEXICO

Bitso CLARA chip konfigo

BRAZIL

C6BANK cloudwalk credits EBANK ofi MERCADO BITCOIN

SUB-SAHARAN AFRICA

NIGERIA

Flutterwave Interswitch OPay

SENEGAL

wave

PAN-AFRICA

CHIPPER.

MIDDLE EAST

ISRAEL

earnli melio PAGAYA STARKWARE

OCEANIA

AUSTRALIA

Airwallex brighte judo bank

ASIA

INDIA

OCKO BharatPe CoinDCX COINSWITCH KUBER CRED digit Groww JioBikwik ofBusiness Pine Labs policy bazaar Razorpay one97 slice upstox

CHINA

蚂蚁银行 百信云 掌银投资 代理 梦网 鼎信科技 JDD jinu 京本数字 Nxin Webull 票易通

HONG KONG

AMBER FTX WeLab

JAPAN

Liquid SmartHR

INDONESIA

ajab OVO xendit

SINGAPORE

Bitget boltech matrixport NIUM

SOUTH KOREA

Dunamu toss

VIETNAM

mo mo Axi

BANGLADESH

bkash

PHILIPPINES

Mynt

THAILAND

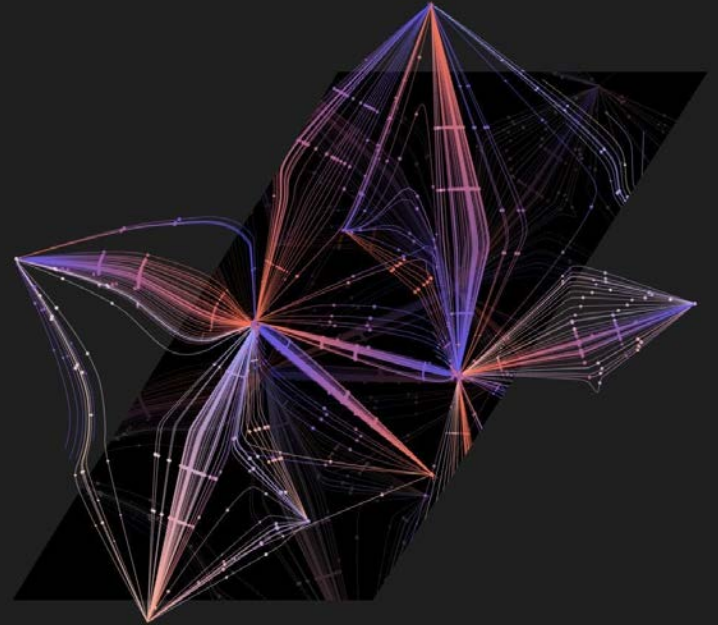
ascend money

Source: CB Insights, PitchBook, F-Prime team analysis

F/PRIME

State of Fintech

PAYMENTS

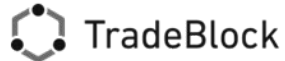




About F-Prime Capital

We create and invest in technology and healthcare companies that impact lives all over the world.

We have over 300 companies in our portfolio including 23 that we started. Our global portfolio spans the US, Europe, and Asia.



50+ years

of investing in iconic companies - from Atari to Alibaba to AppsFlyer

300+ companies

Fintech, Enterprise software, and Healthcare

100+ investors

Our global platform has resources and expertise in North America, Europe, China, Japan, India, and Israel

\$11B+ AUM

Along with our international sister fund Eight Roads Ventures, we are dedicated to supporting fearless founders around the globe

Note: Above listing is a sample of companies in the F-Prime and Eight Roads portfolio



Payments

Fintech's frontrunner

Payments has attracted the most capital, the most number of unicorns, and highest valuations

Rapid ascent

Payments disruptors are collectively capturing significant market share as incumbents consolidate in the industry

E-commerce as the accelerant

E-commerce and digital adoption has been accelerated by the pandemic

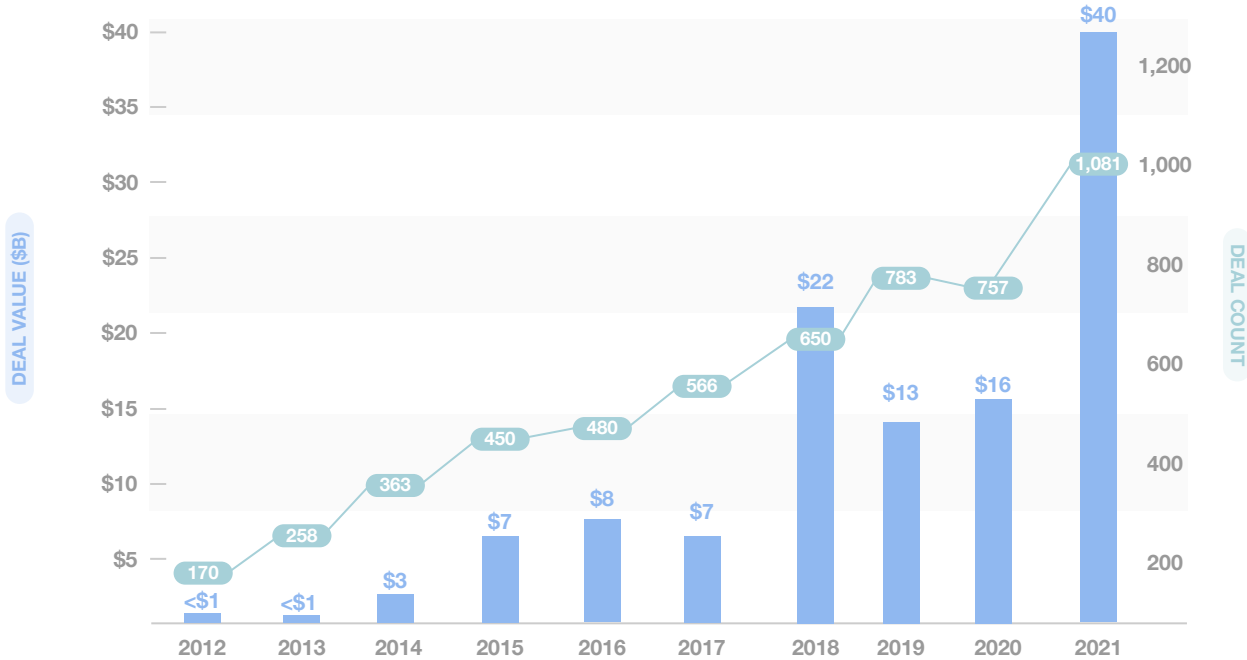


Credit: Andrey Suslov (Shutterstock)



Payments overview

Global fintech investment breakdown by vertical: Payments



70+
Unicorns

2,800+
Companies

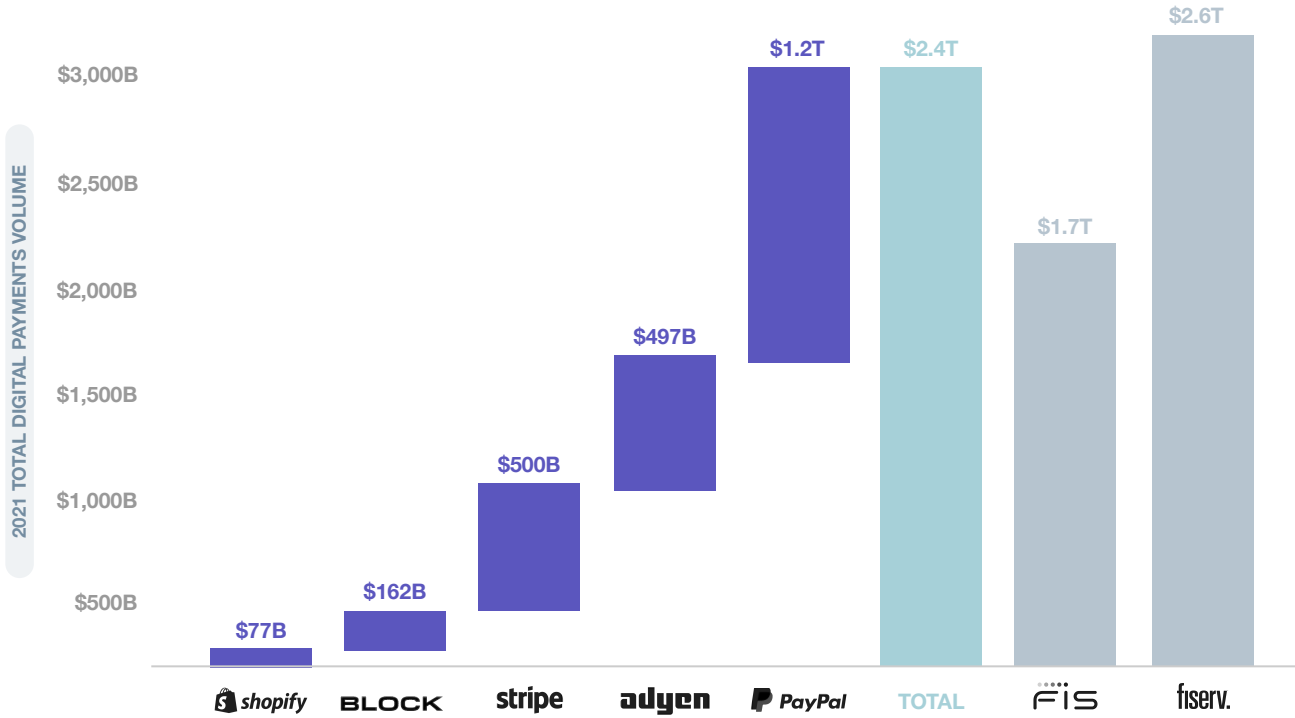
\$118B
Raised since 2012

\$328B
Top 10 valuation

Source: PitchBook, F-Prime team analysis

Note: Stripe (\$152B) accounts for 46% of top 10 valuation.

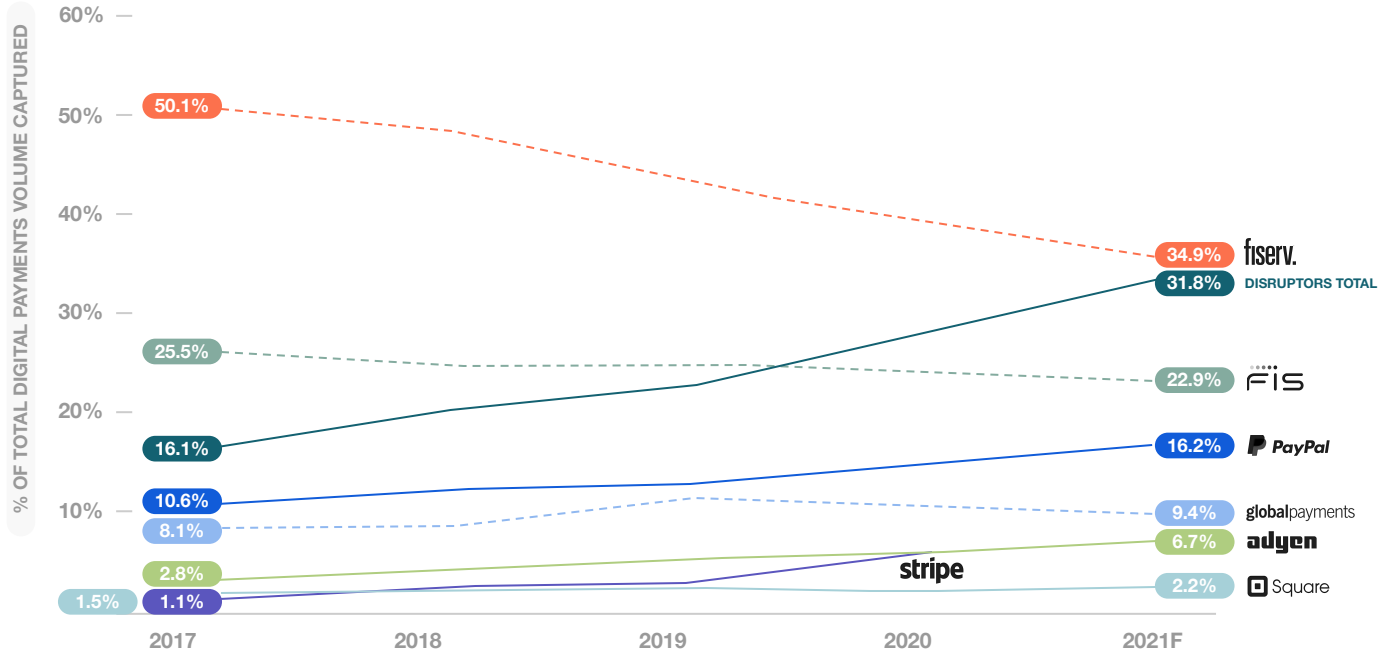
Nowhere has fintech disruption been more apparent than in payments, where the disruptors cumulatively reach the volumes processed by Fiserv



Source: Company 10Ks; F-Prime team analysis
Note: On December 1, 2021 Square changed name to Block, Inc.



Natively digital payment processors like PayPal, Square, Stripe and Adyen have captured 32% share of the digital payment volume in the U.S., and their market share is accelerating

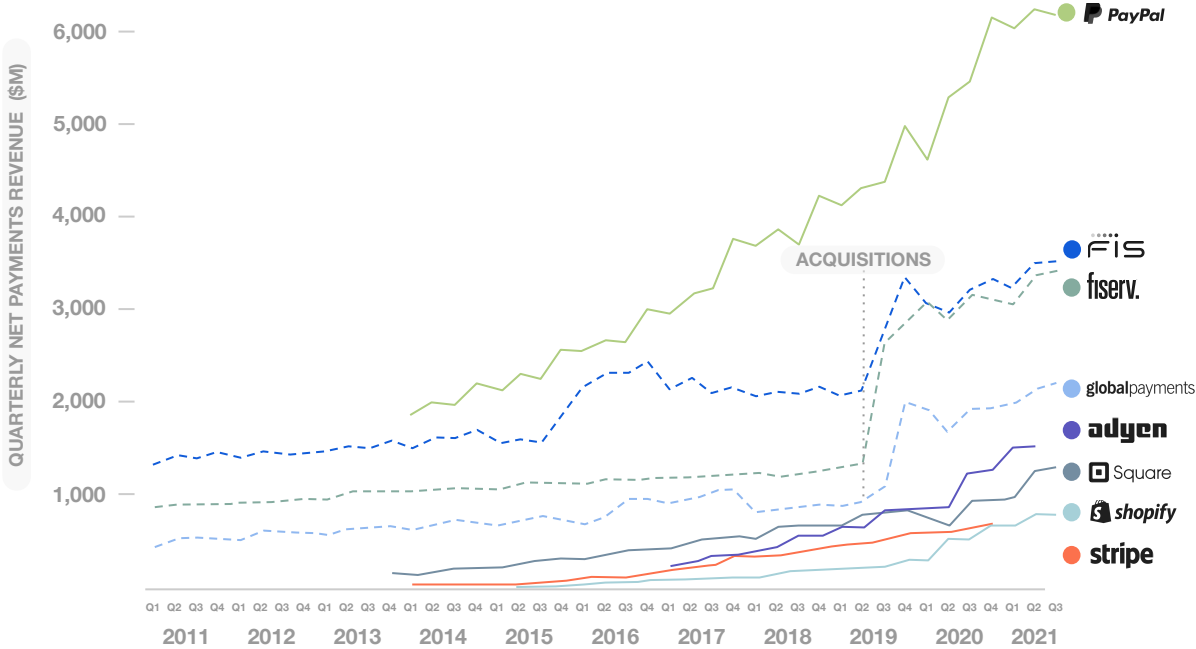


Source: Company 10Ks, Industry Reports, and F-Prime team analysis
Note: While payment disruptors have captured 32% of total digital payments volume, they only capture 2.2% of total payments volume (and 4.6% of payments revenues)

----- INCUMBENTS
----- DISRUPTORS



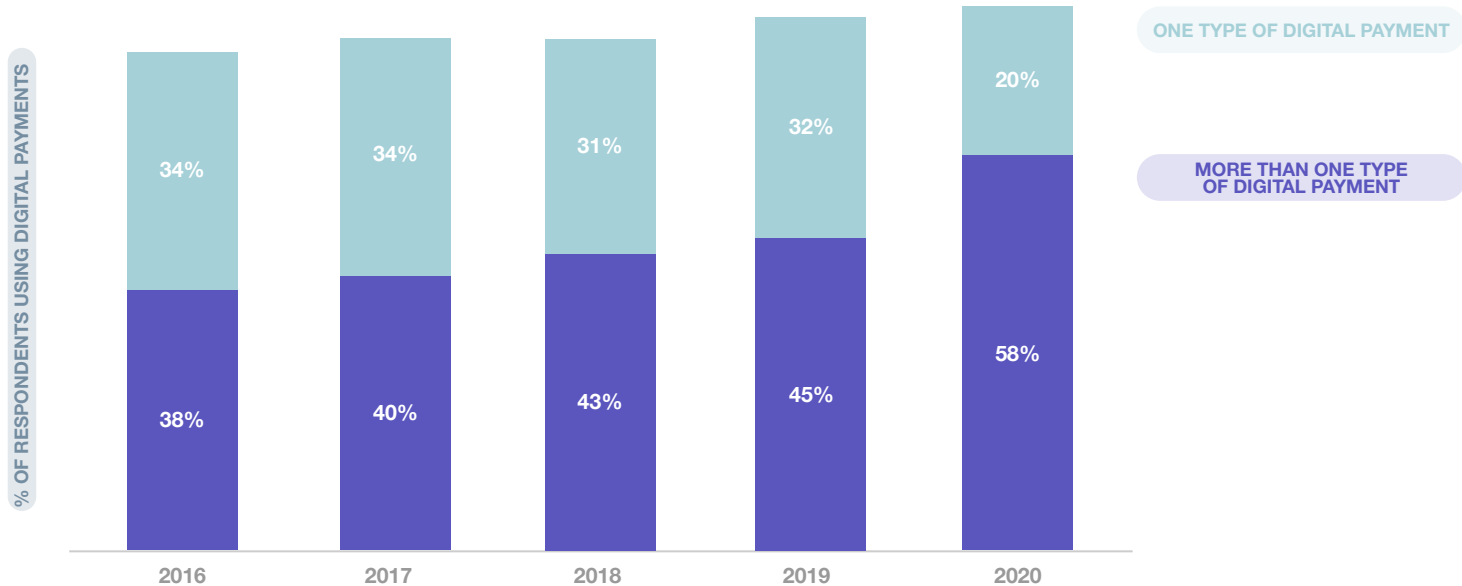
As disruptors grew rapidly, the industry responded with a wave of consolidations



Acquirer	Acquired	Date	Deal Size
Fis	worldpay	July 2019	\$35B
fiserv.	First Data.	July 2019	\$22B
globalpayments	TSYS	May 2019	\$22B
globalpayments	Heartland	April 2016	\$4.3B

Source: Company 10Ks; F-Prime team analysis

The global pandemic accelerated the already steady shift to digital payments



Source: 2020 McKinsey Digital Payments Consumer Survey



The pandemic also accelerated e-commerce with e-commerce platforms expected to capture 20% of retail spend by end of year



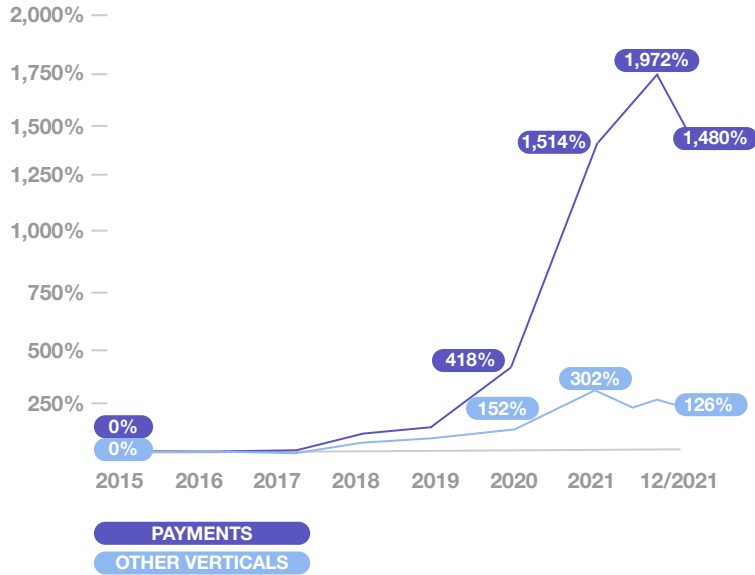

Shopify's GMV
doubled between
Q4 2019-Q4 2020

Source: eMarketer; MarketplacePulse, Shopify 10Ks, F-Prime team analysis



Public markets have rewarded payments startups – they are among the highest performing fintech disruptors in the F-Prime Fintech Index

Average Performance since 2015



Vertical	Avg. EV/ LTM Revenue	Total Market Cap
Payments	13.3	\$746B
Banking/ Lending	16.4	\$66B
B2B SaaS	19.1	\$75B
Wealth/Asset Management	4.6	\$86B
PropTech	3.5	\$20B
Insurance	4.8	\$11B

Company	EV/ Revenue	Market Cap
PayPal	8.9	\$225B
shopify	39.6	\$175B
adyen	16.6	\$81B
BLOCK	4.5	\$76B
mercado libre	10.9	\$68B
toast	11.3	\$19B
OTHER PAYMENTS COMPANIES	12.1	\$101B

Source: Yahoo Finance, F-Prime team analysis
 Note: Data above is as of 9/30/2021.

Dynamic payment trends we are tracking

Globalization of Commerce

Companies and consumers are selling and buying globally placing demands on supply chain, fulfillment and payment acceptance



Vertical Payments

More vertical software companies will emerge and seamlessly offer embedded fintech solutions like payments, loans, and payroll



Payment Fragmentation

Merchants need to support a wider variety of payment options including cards, wallets/QR codes, ACH, cash and BNPL



Crypto Payment & the Rise of Web3

15K+ businesses have begun accepting crypto payments as payments begin to shift to decentralized platforms



Real-Time Payments (RTP)

RTP volumes will grow significantly due to increased support by both private and public sector actors



Granular Retail Data

Real-time Merchant and SKU level data will unlock new business models to engage consumers and businesses



Global War on Cash

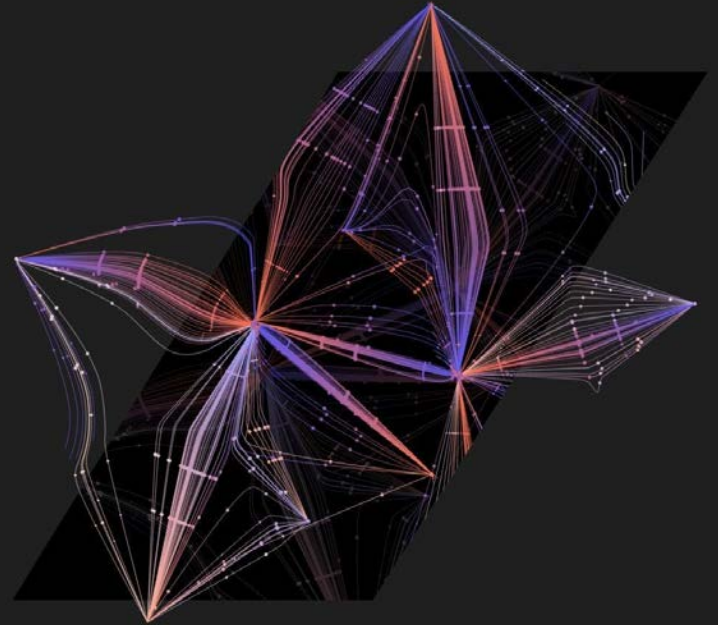
The war on cash was accelerated by the pandemic and will continue as consumers adopt faster and more convenient forms of payment



F/PRIME

State of Fintech

BANKING

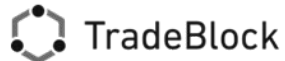




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We have over 300 companies in our portfolio including 23 that we started. Our global portfolio spans the US, Europe, and Asia.



50+ years

of investing in iconic companies -
from Atari to Alibaba to AppsFlyer

300+ companies

Fintech, Enterprise software, and
Healthcare

100+ investors

Our global platform has resources
and expertise in North America,
Europe, China, Japan, India, and
Israel

\$11B+ AUM

Along with our international sister
fund Eight Roads Ventures, we are
dedicated to supporting fearless
founders around the globe

Note: Above listing is a sample of companies in the F-Prime and Eight Roads portfolio

Banking

Digital banks become PFRs

Digital native banks are becoming Primary Financial Relationships (PFRs) for members attracted by fee transparency and novel features

Consumer friendly hooks unlock growth

Fastest growing neobanks did not start as banks but instead launched with consumer friendly services

Traditional FI's and fintechs will compete, but also collaborate

Regional banks are being squeezed with many responding by partnering with fintech startups

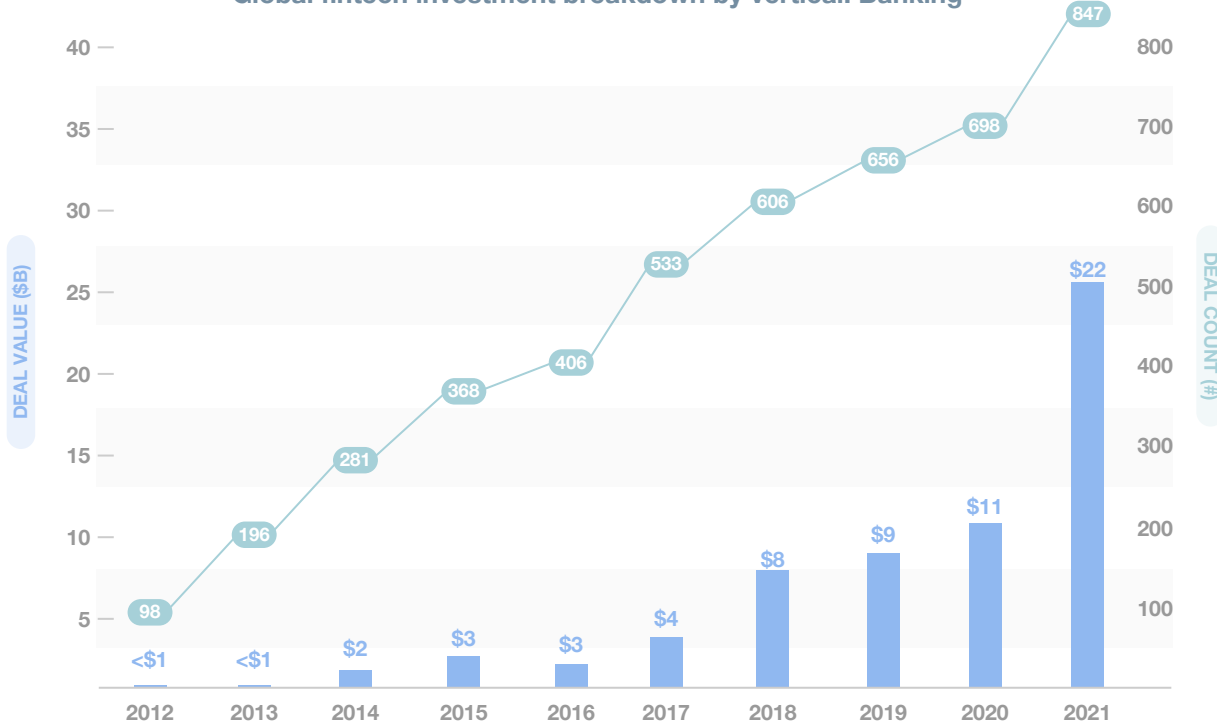


Credit: PopTika (Shutterstock)



Banking overview

Global fintech investment breakdown by vertical: Banking



Source: PitchBook, F-Prime team analysis
Note: Revolut (\$33B) accounts for 29% of top 10 valuation.

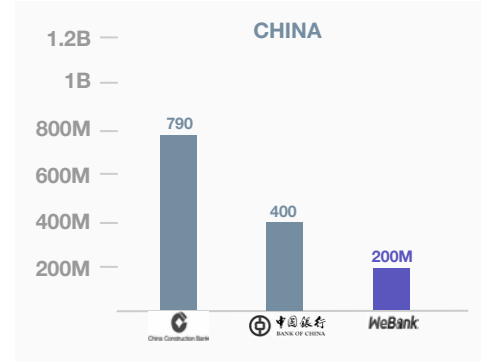
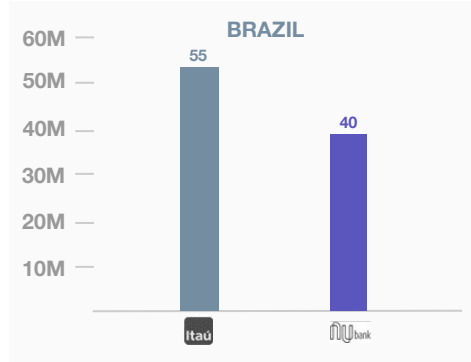
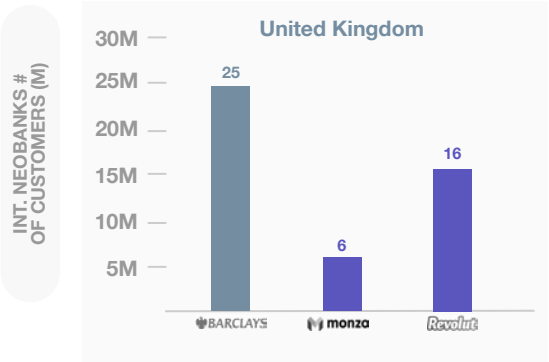
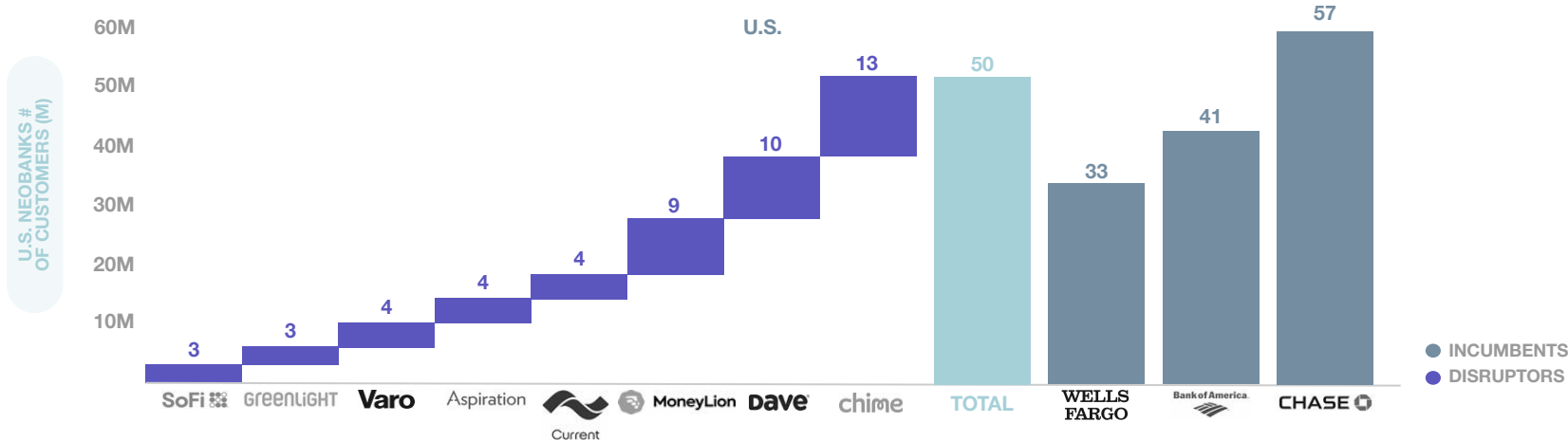
40+
Unicorns

2,400+
Companies

\$64B
Raised Since 2012

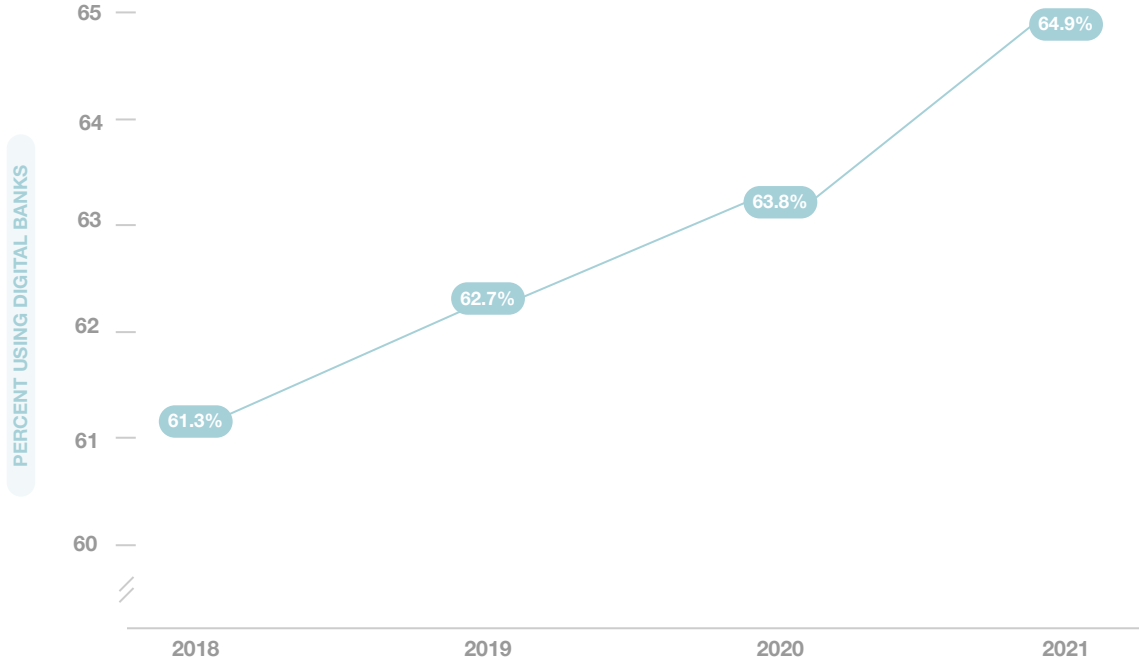
\$113B
Top 10 Valuation

Digitally native banks have emerged as viable alternatives to incumbent banks





Digital banking has been on the rise in the U.S.



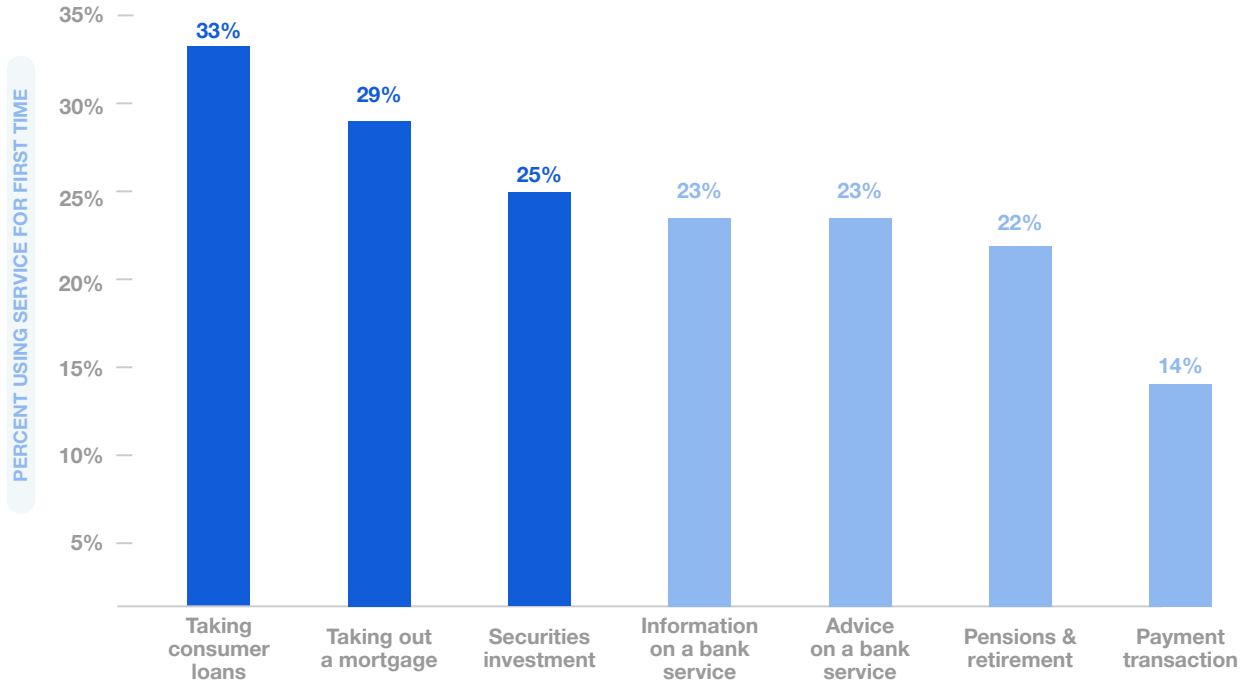
There are
169.3 million
mobile banking
users in the U.S.

Source: [Plaid](#), [Statista](#)

Note: Digital banks include incumbent banks offering primarily digital financial services



Many began using new online banking services for the first time as a result of the pandemic

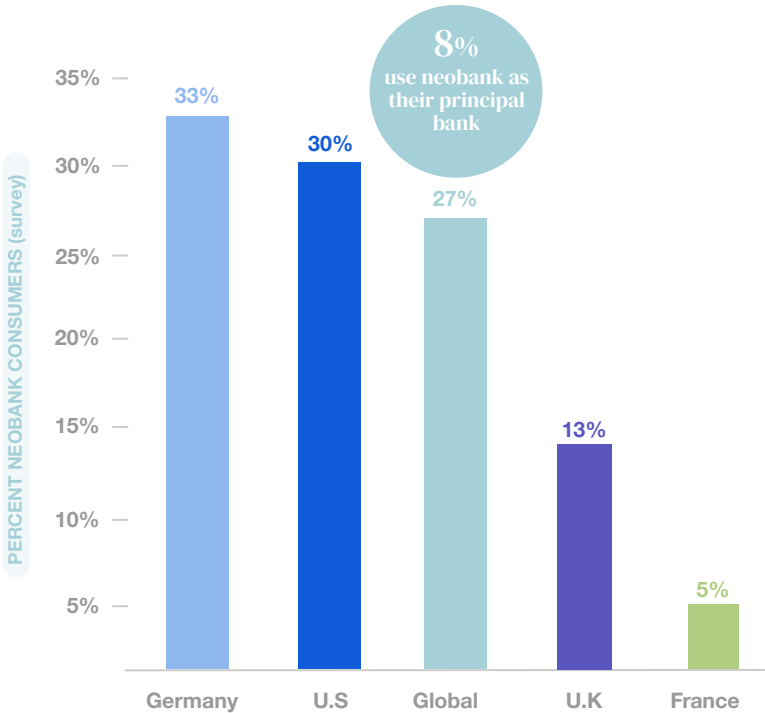


200%
increase in new mobile banking registrations at onset of pandemic in April 2020

Source: [Deloitte](#) (survey of 2,000 individuals), [CNBC](#)



27% of global consumers have relationships with neobanks, with 8% using neobanks as their principal bank. They are attracted by the mobile experience, convenience, fee transparency and features like early-deposit access, overdraft protection etc.



nerdwallet

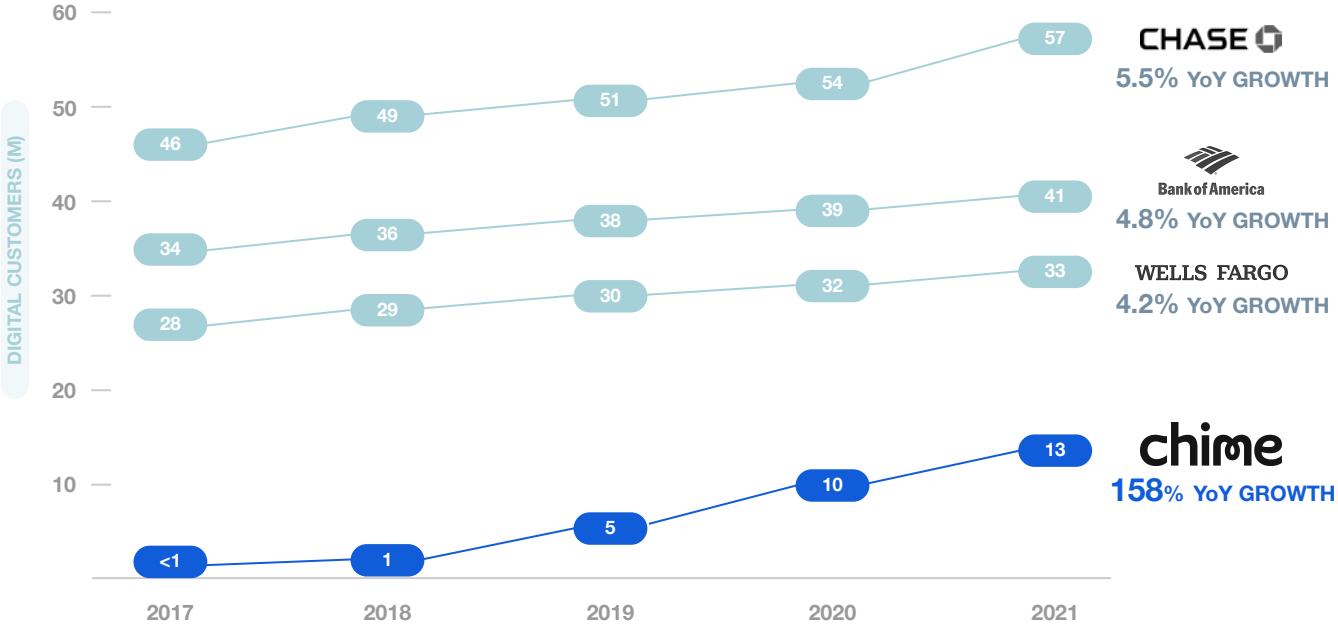
3 out of 7 NerdWallet's "best overall" banks are fintechs

chime Best Overall, Best for Tools	Varo Best overall, Best for Rates	ONE Best Overall, Best for Overdraft Options
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Source: [EY NextWave Consumer Financial Services](#) research & survey, [Plaid 2021 Fintech Report](#)



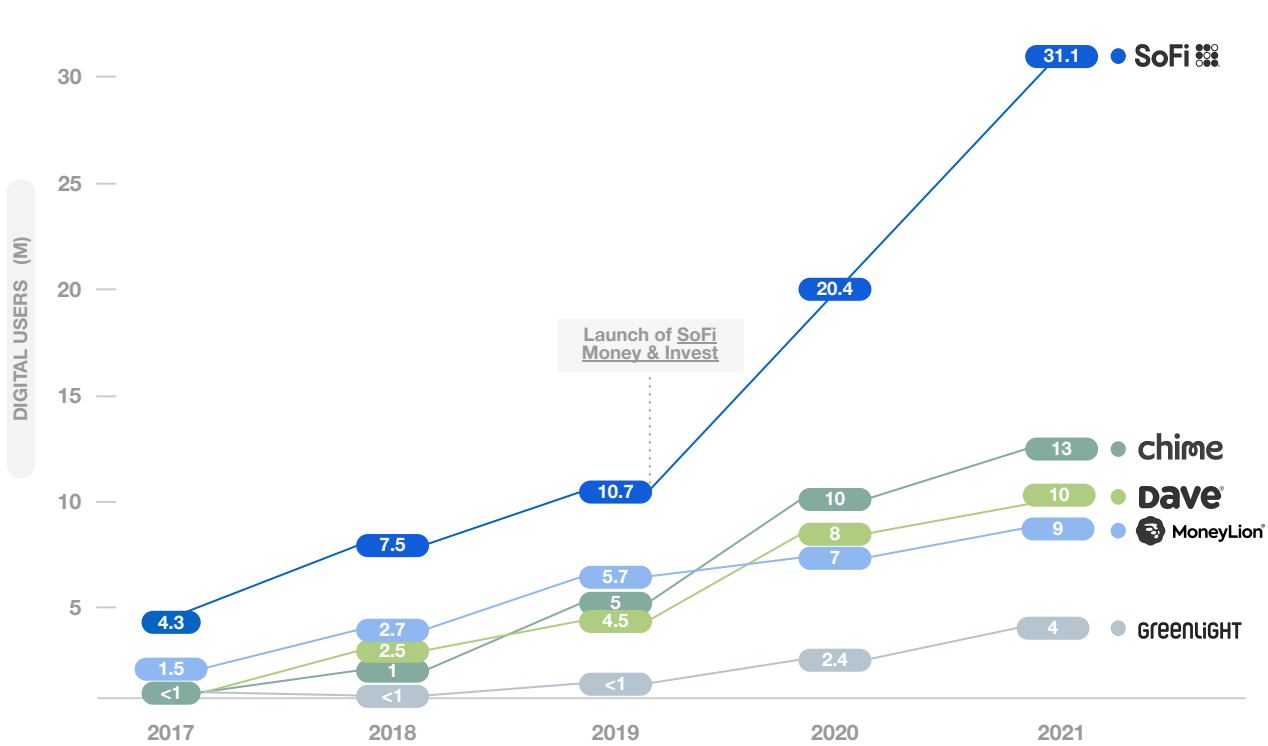
Chime, the largest neobank in the U.S., is growing at a much faster rate than incumbents



8M
use Chime as
their primary
bank

Source: News ([Link 1](#), [Link 2](#), [Link 3](#)), Company 10Q/10Ks, F-Prime team analysis

Many neobanks did not even start as banks, but led with consumer-friendly services that leveraged a customer's existing bank account



- CONSUMER FRIENDLY HOOK
- STUDENT LOANS
- OVERDRAFT PROTECTION
- OVERDRAFT PROTECTION
- PERSONAL LOANS
- FAMILY ALLOWANCES

Source: Company 10Ks, news outlets, F-Prime team analysis
 Note: ~10% of SoFi's users are active members

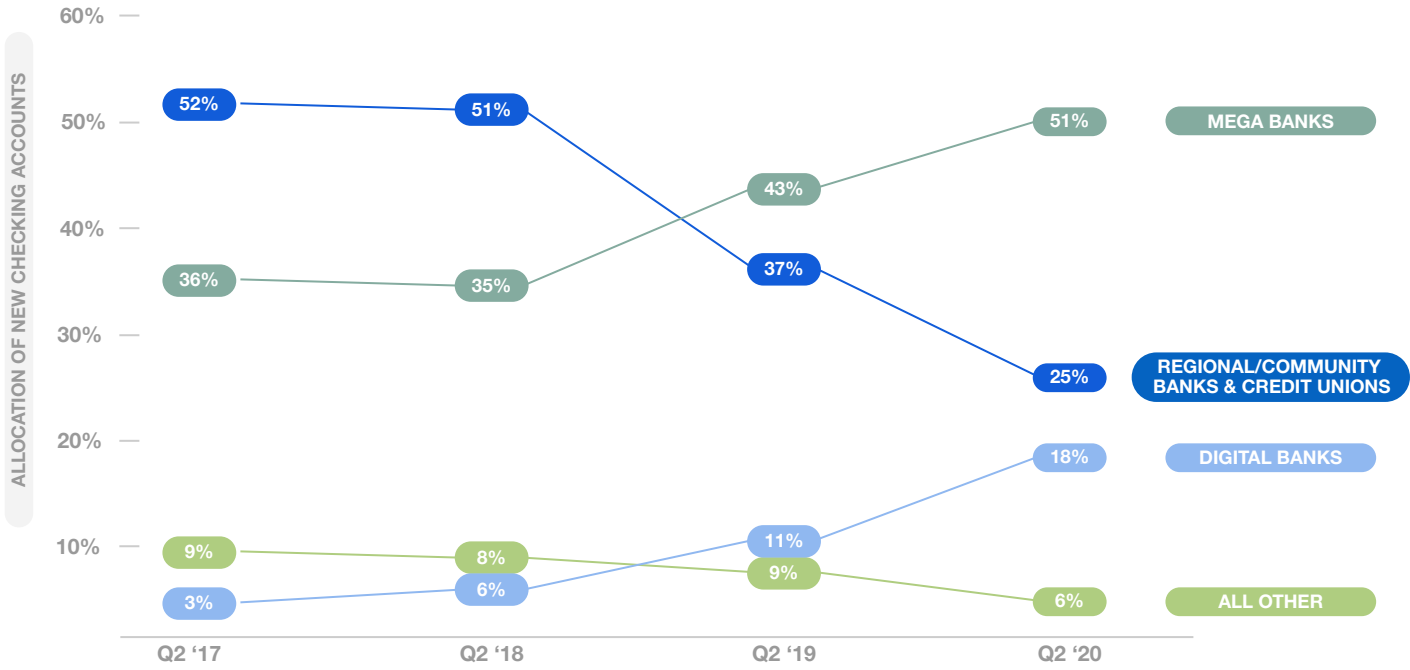


Neobanks have a long way to go to catch-up with incumbents on most metrics, but investors are ascribing value to their potential based on low CACs and high growth

	REVENUE GROWTH	CAC	ARPU	VALUATION	TOT. ASSETS	VAL./TOT. ASSETS
CHASE 	2.6%	\$1,076	\$1,963	\$496B	\$3,800B	0.13x
 Bank of America	(1.4%)	\$2,953	\$1,321	\$360B	\$3,100B	0.12x
WELLS FARGO	1.1%	\$857	\$1,072	\$201B	\$1,900B	0.11x
chime	n/a	\$100	\$208	\$25B	\$10.0B	2.5x
SoFi 	47%	\$278	\$311	\$16.6B	\$8.1B	2.1x
 MoneyLion®	79%	\$15	\$87	\$1.4B	\$0.5B	2.8x

Source: Company 10Ks; [Forbes](#), [Yahoo \(via Axios\)](#), F-Prime team analysis
 CAC: Marketing spend in previous quarters/new members in current quarter
 ARPU: Revenue/total numbers

Megabanks & neobanks in the U.S. are benefiting from the consumer shift to digital banking while regional and community banks are being squeezed


















REGIONAL/COMMUNITY BANKS & CREDIT UNIONS

27 percentage point decrease
in new account openings since 2017

Source: Forbes, FDIC, NCUA, F-Prime team analysis

In response, banks in the middle are increasingly collaborating with fintechs to accelerate the digitalization and personalization capabilities, and in turn, fintechs are leveraging the bank partner's charter and earned reputation to accelerate their growth

USE CASE	INCUMBENTS	FINTECHS
BANK CHARTERS	 EMPRISE BANK  PACIFIC WESTERN BANK	 TREASURY PRIME
DATA SHARING	 Simmons Bank  Community Bank N.A.	 PLAID
BANK CORES	 BancoEstado  BANK ISLAM	 MAMBU
LOAN ORIGATION	 Customers Bank  Associated Bank	 Upstart
LOAN UNDERWRITING	 VyStar Credit Union  Suncoast Credit Union	 ZEST AI

Source: Fintech website press releases, F-Prime team analysis

Dynamic banking trends we are tracking

Embedded banking

Enabled by new infrastructure, nonbank vertical software companies will offer embedded financial services



Banking barbell

Megabanks and new digital bank disruptors will continue to gain share at expense of regional and community banks but opportunity exists for fintechs to partner



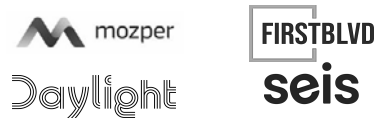
Same-day ACH

Same-day ACH will gradually emerge as viable alternative to cards, first in B2B and over time in B2C



Personalized banking

Personalized experiences tailored towards specific segments of the population will benefit as customer demand for customized solutions increase



Bare-metal banking partnerships

The latest fintech evolution brings powerful distributors closer to the "bare metal" infrastructure via partnerships with wholesale banks



Decentralized banking

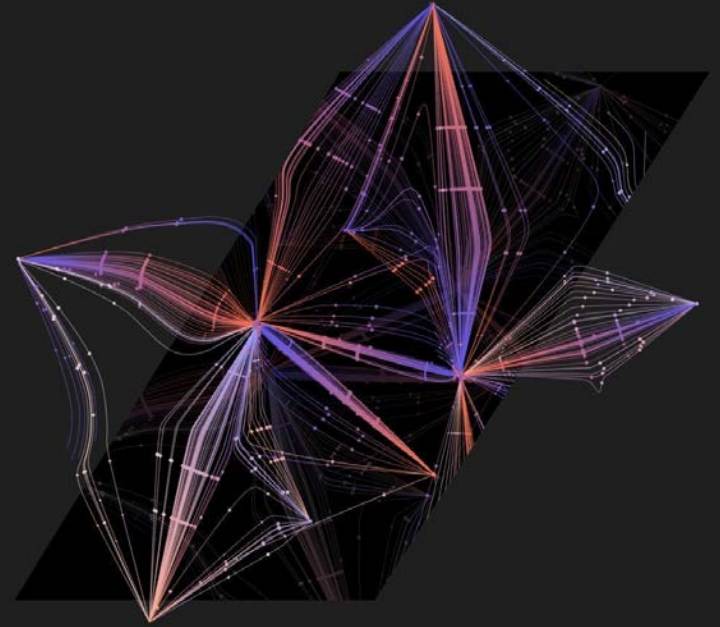
Decentralized finance (DeFi) will push the boundary of where and how money is stored, transferred, loaned and secured



F/PRIME

State of Fintech

WEALTH/ASSET MGMT

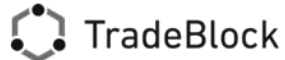




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Wealth & Asset Management (WAM)

More accessible than ever

Digitalization, gamification, and commission-free trading has made investing more accessible than ever to retail investors

Generational shifts

As new generations amass and inherit wealth, they are bringing with them a new set of expectations and preferences

The rise of new alts

Allocation to alternative assets is on the rise for both “traditional alts” and emerging asset classes like crypto, art, and collectibles

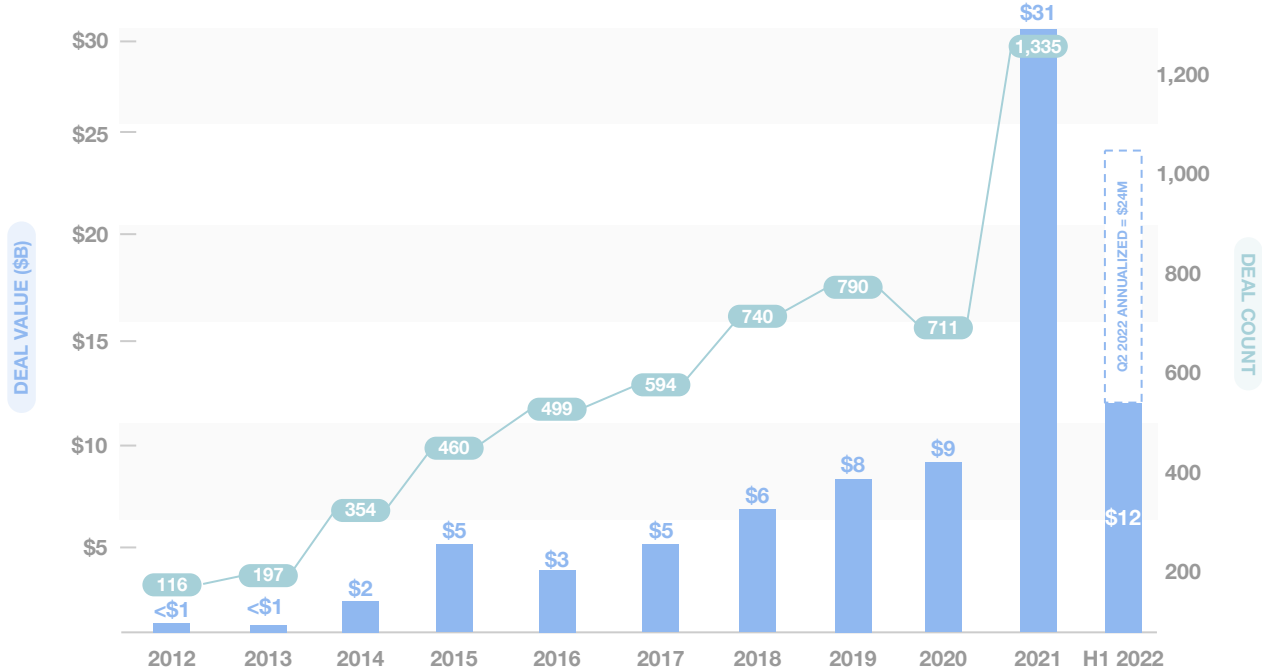


Credit: European Business Review



Wealth & Asset Management overview

Global fintech VC investment breakdown by vertical: WAM



Source: PitchBook, F-Prime team analysis

70
Unicorns

3,500+
Companies

\$84B
Raised since 2012

\$103B
Top 10 valuation



WAM has seen multiple IPOs and \$1B+ acquisitions over the last few years

Top wealth & asset management IPOs

COMPANY	VALUATION (\$B)	DATE
 coinbase	\$85.8	2021
 Robinhood	\$32.0	2021
 VIRTU FINANCIAL	\$2.6	2015
 intapp	\$1.5	2021
 INVESTNET	\$0.3	2010

Top wealth & asset management M&A

TARGET / ACQUIRER	VALUATION (\$B)	DATE
 Ameritrade <i>charles</i> SCHWAB	\$22.0	2020
 E*TRADE Morgan Stanley	\$13.0	2020
 wealthfront  UBS	\$1.4	<i>Announced</i>
 superhero <small>YOUR MONEY. YOUR MOVE.</small>  swyftx	\$1.1	2022
 personal CAPITAL  EMPOWER RETIREMENT	\$1.0	2020

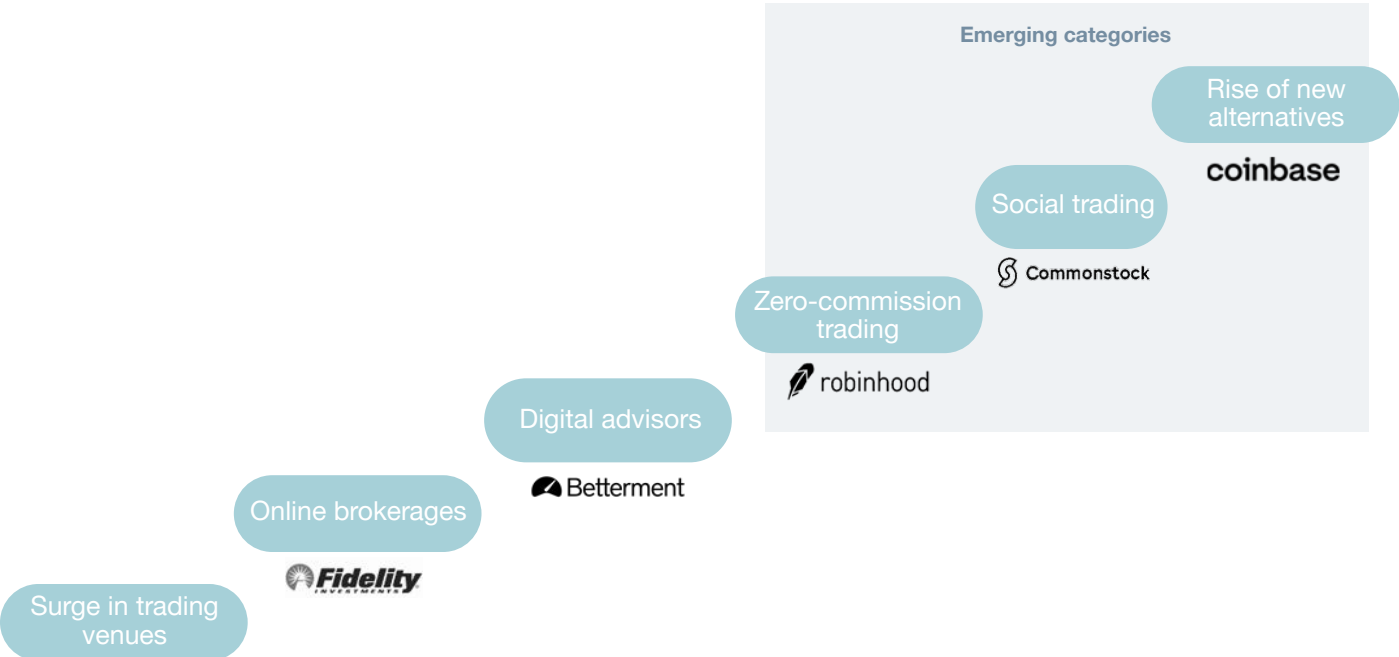
Source: PitchBook, F-Prime team analysis

The recent growth in wealth management is the culmination of profound changes in the industry over the last two decades

GENERATIONAL SHIFTS

- Fractionalization
- Decimalization
- Payment-for-Order-Flow (PFOF)
- Electronification

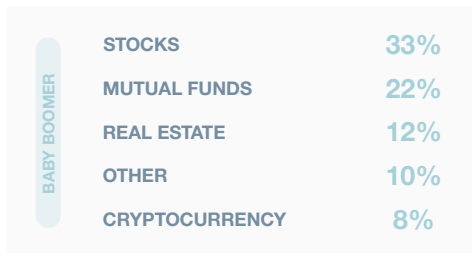
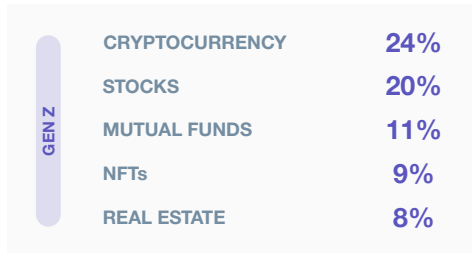
NEW CATEGORIES



Generational shifts in wealth management were already underway prior to the pandemic

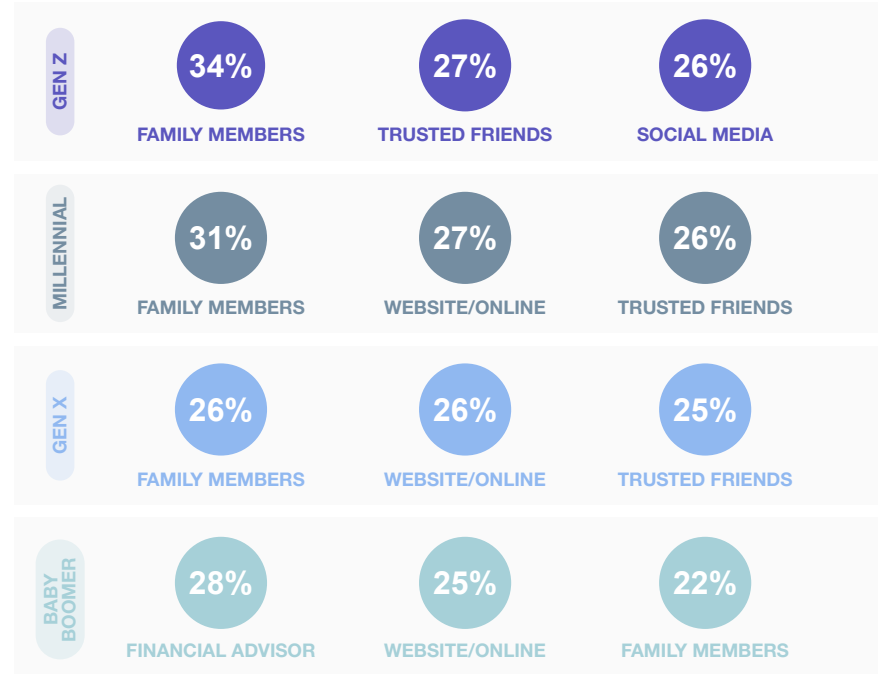
Expected returns drive younger investors' interest in new alternative assets

Where do you expect the greatest return on your investments over the next 10 years?



Social media is increasingly influencing younger investors' expectations & preferences

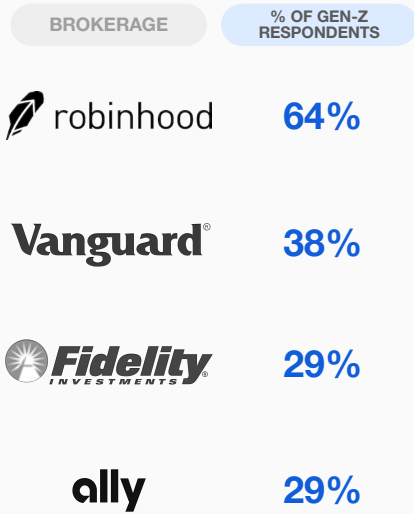
Where do you receive most of your financial advice? TOP 3 RESPONSES



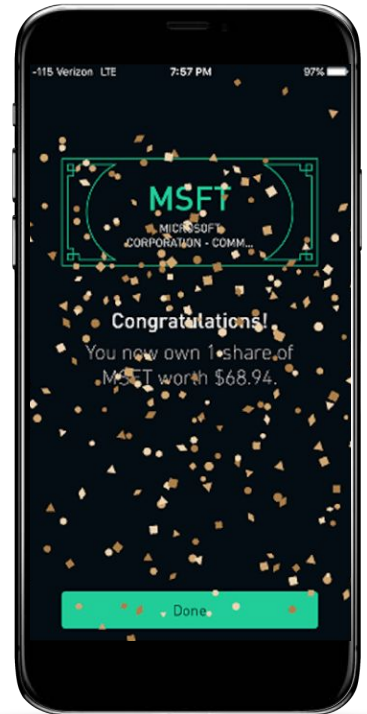
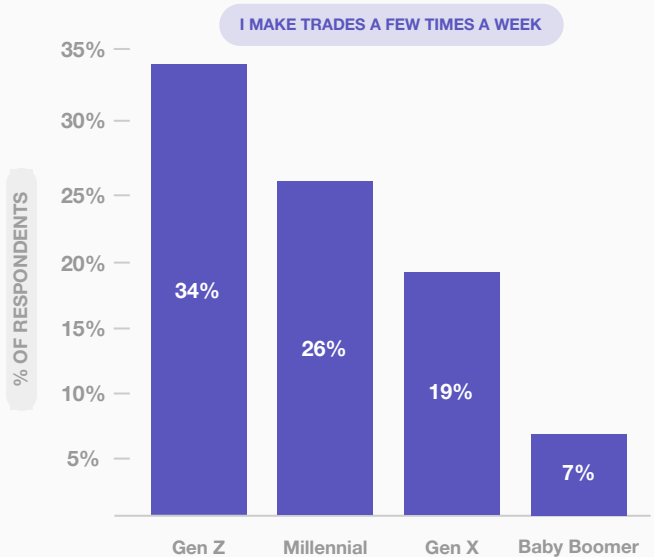
Source: 2022 Investopedia Financial Literacy Study, National Association of Personal Financial Advisors

Robinhood ignited a generation by altering retail investors' behavior with active trades while offering a more intuitive, gamified user experience

ON WHICH PLATFORM DO YOU EXECUTE YOUR TRADES?



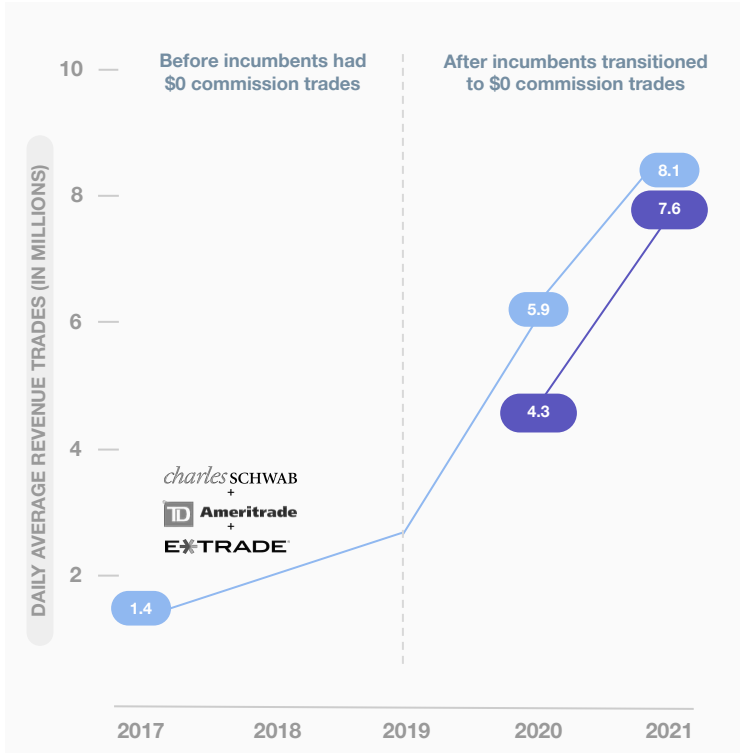
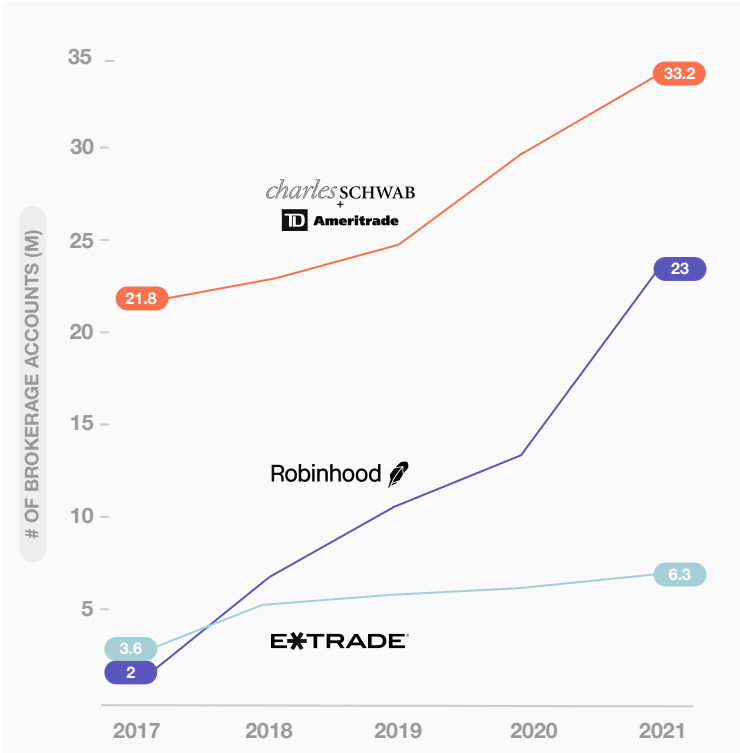
HOW OFTEN DO YOU MAKE INDIVIDUAL TRADES?



Source: Nasdaq, Robinhood via Wallet Hacks



Fuel was added to the fire when incumbents embraced Robinhood's commission-free trading followed by the pandemic tailwinds



Robinhood generated **\$1.4B** from PFOF in 2021

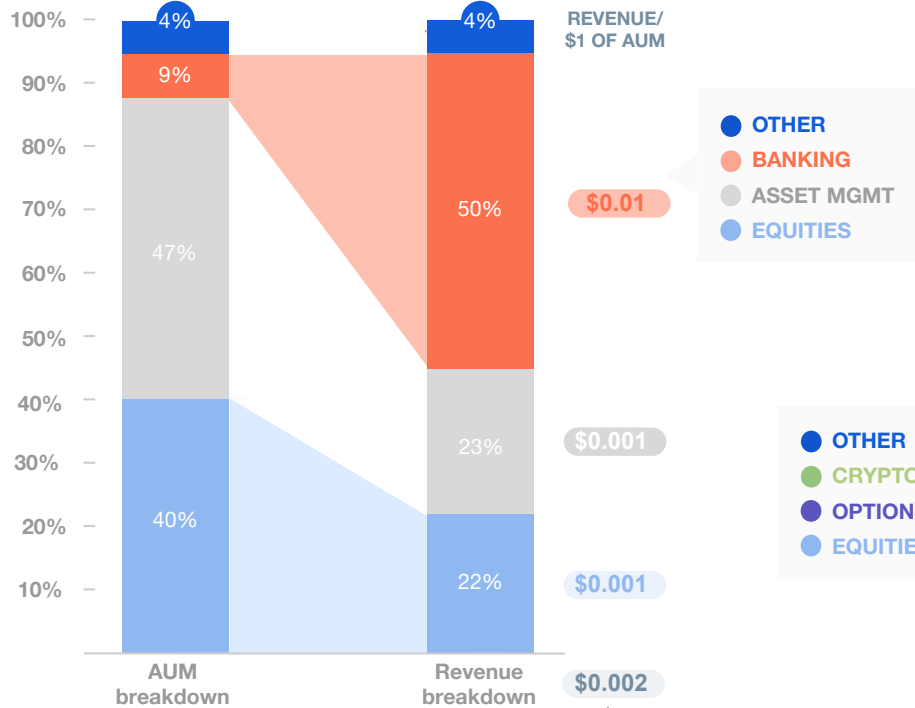
3x growth in incumbent trading volume

Source: Company 10Ks, Insider Intelligence, F-Prime team analysis

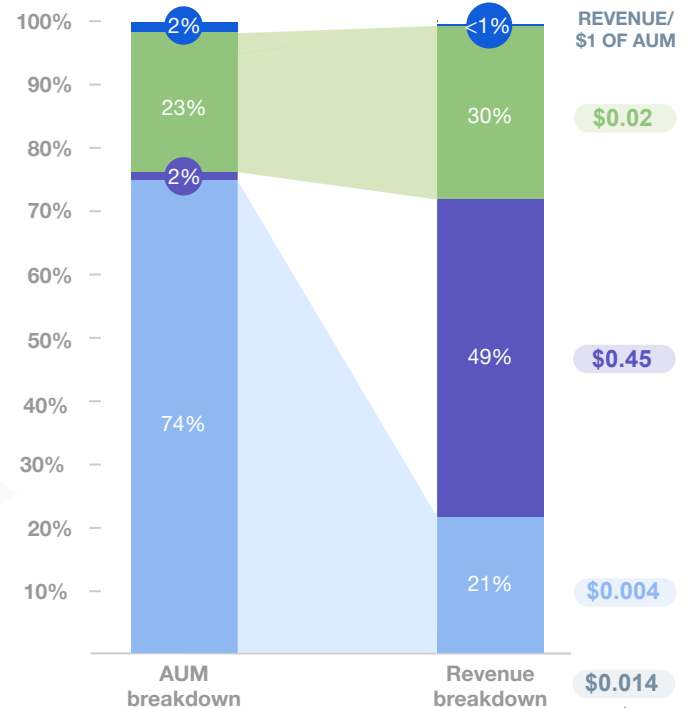
● Robinhood  ● Incumbents (Charles Schwab, TD Ameritrade, and E*Trade)

Compared to incumbents, Robinhood has a very different revenue profile and generates higher revenue per \$1 of AUM by offering crypto & options trading

Charles Schwab looks more like a bank



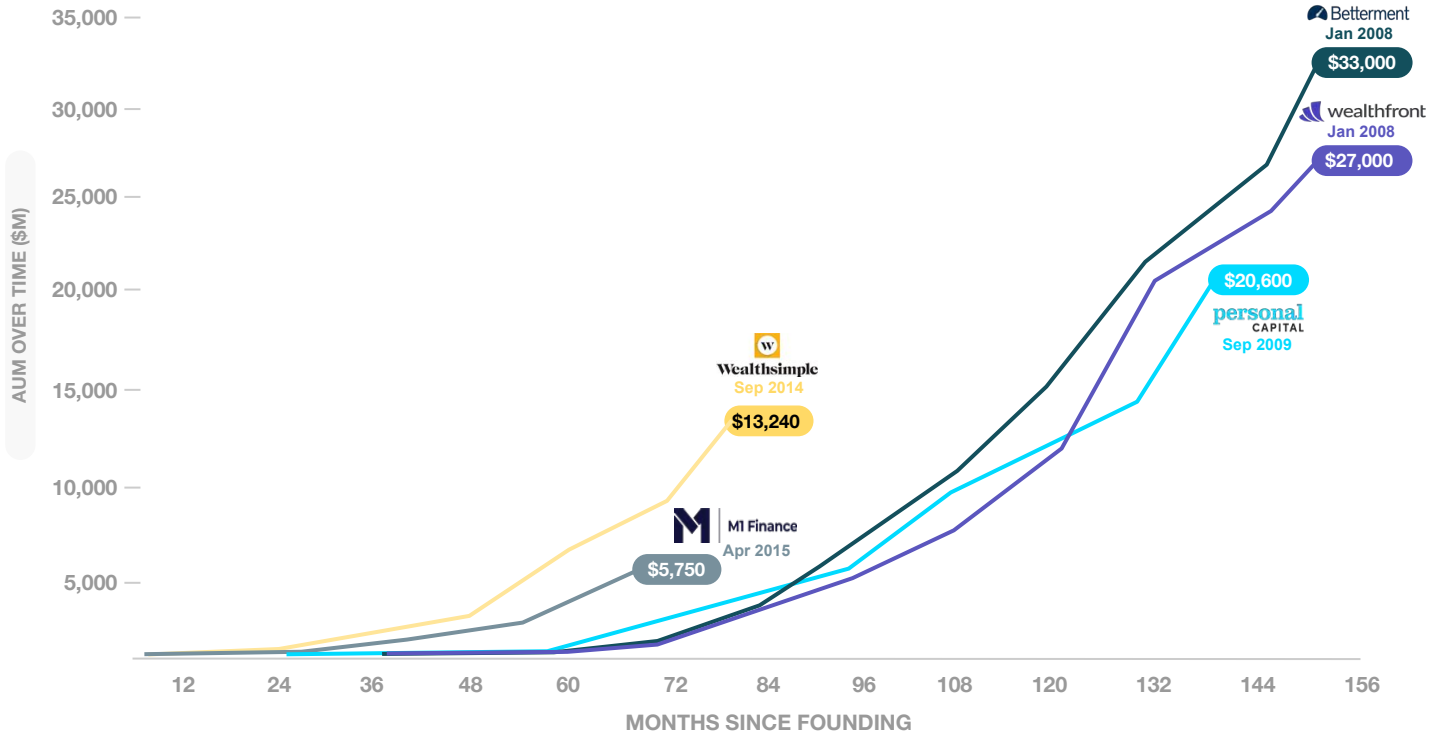
Robinhood looks more like a diversified trading platform



Source: Company 10Ks; F-Prime team analysis

7x revenue earned / \$1 AUM

Meanwhile, robo-advisors have also seen steady growth and have now reached significant scale, earning their place among the fastest growing RIAs



Source: Company 10Ks, media reports, [Forbes](#), F-Prime team analysis

Wealthsimple U.S

EXIT VALUE ACQUIRER
\$500M Betterment

personal CAPITAL

EXIT VALUE ACQUIRER
\$1.0B EMPOWER RETIREMENT
















wealthfront

EXIT VALUE ACQUIRER
\$1.4B UBS

~\$350B
 AUM for top 10 robo-advisors



A wave of new wealth players have also emerged to address the shifts in generational attitudes

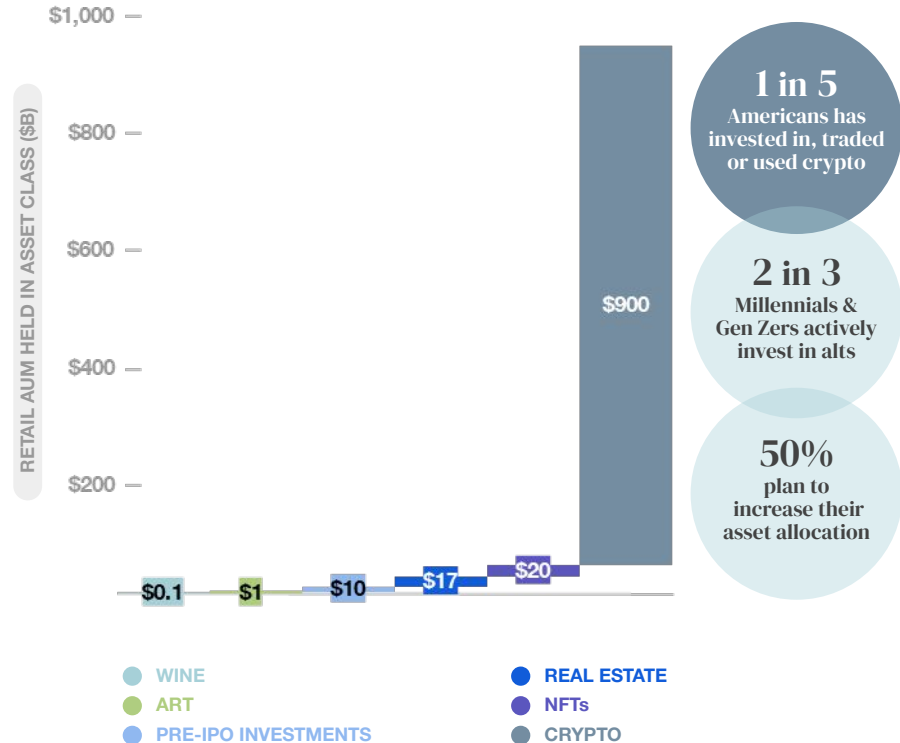
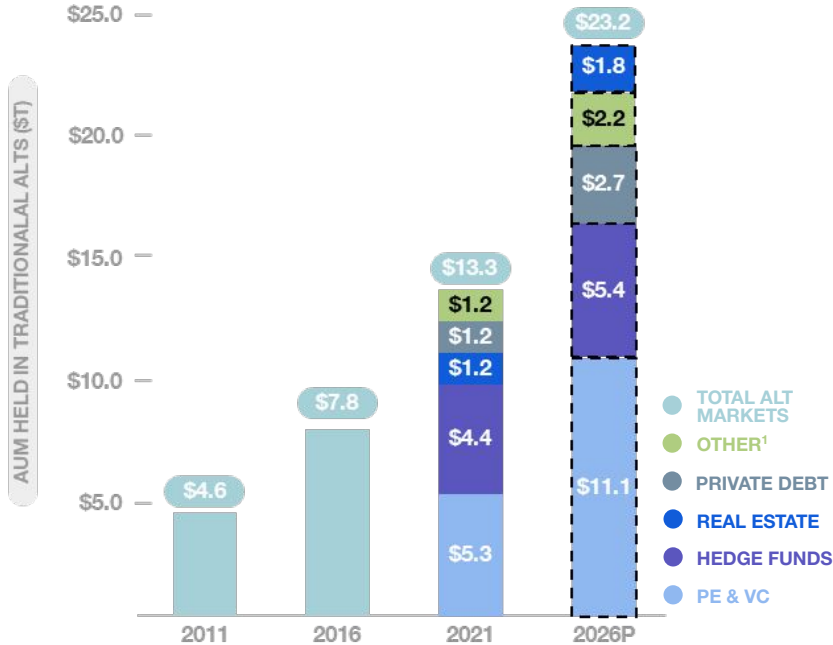
THEME	PLAYERS		
SOCIAL TRADING	 public.com	 Commonstock	 QURE
NEXT-GENERATION ASSET MANAGEMENT	 Titan	 DOMAIN MONEY	 NDVR
EMERGING ALTERNATIVES	 MASTERWORKS	 CS CROWDSTREET	 Vint
ESG	 OpenInvest	 pebble	 CIVEX
GAMIFICATION	 acorns	 digit	 LONG GAME



As we look ahead, we see a decade-long rise in alternative assets as they continue to capture U.S. retail interest

Traditional alts targeting institutions & HNWI's have grown rapidly to more than \$13T...

...while a new wave of alternatives (crypto, art, collectibles) are capturing retail interest



1 in 5
Americans has invested in, traded or used crypto

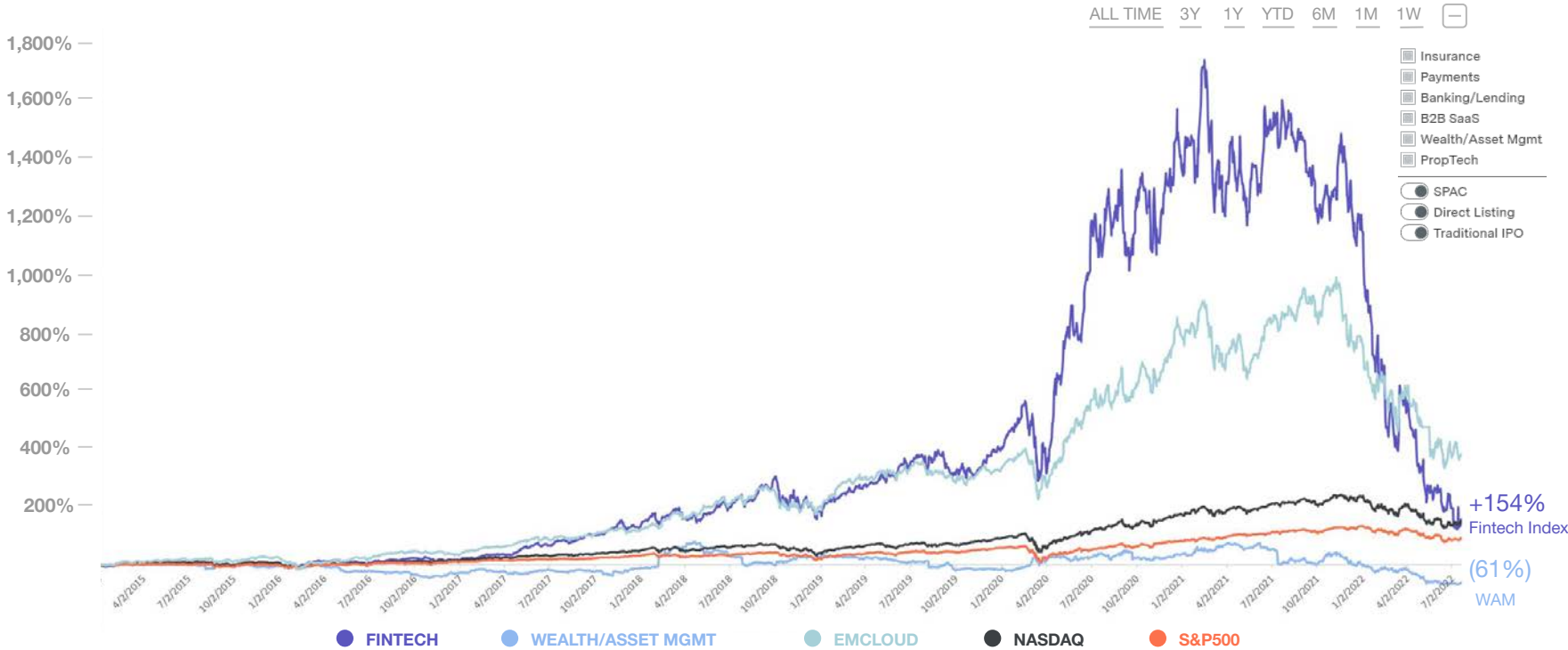
2 in 3
Millennials & Gen Zers actively invest in alts

50%
plan to increase their asset allocation

Source: Preqin, McKinsey, Pew Research Center, NBC, Fundrise
 Note: Data on right as of March 31st, 2022
 1. Includes infrastructure and natural resources



Along with the broader tech market, fintech performance fell in the first half of 2022 Wealth and asset management stock performance even lower



Source: F-Prime Fintech Index

Dynamic wealth management trends we are tracking

The Great Wealth Transfer

Millennials seek advice and consume content differently; opportunities to deliver personalized advice at scale



New Investor Tools

Tax infrastructure, automated investing, wealth planning, yield farming, options, high-frequency trading, digital onboarding, etc.



Rise of Emerging Alts

New asset classes are creating a need for new investor tools, discovery & aggregation



Silver Wealthtech

Still a large generation and now in need of tools for wealth deaccumulation, health/wealth trade-offs, and retirement gap



Democratization Infrastructure

Core infrastructure and distribution tools for new asset managers to access retail markets



Growth of Global Investor Base

Emerging markets give birth to fastest growing investor base





David Jegen
Managing Partner, Tech Fund



John Lin
Principal



Abdul Abdirahman
Senior Associate



Sarah Lamont
Associate



Amrit Ramesh
Data Scientist

Learn more about F-Prime Capital:

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- Visit the [Fintech Index](#) for more data