Private investing
made simple

LINQTO INSIGHTS

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MONTHLY MAGAZINE

LINQTO INSIGHTS

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EDITOR'S NOTE

In recent years, the world of investing has been experiencing a shift towards democratization, where the focus is on making investing accessible to a wider range of people. This shift has been driven by several factors, including advancements in technology, regulatory changes, and a growing emphasis on financial literacy. The rise of fintech has played a significant role in making investing more accessible, with the emergence of new platforms and tools that cater to investors of all levels of experience and wealth.

Moreover, there is a growing push to democratize access to the private markets, which have traditionally been the domain of accredited investors. This push is aimed at opening up investment opportunities to non-accredited investors, allowing them to participate in the private markets and reap the benefits of higher returns and diversification.

In this issue of our magazine, we explore the theme of democratizing investing and its impact on the investment landscape. We examine the latest trends and strategies in this rapidly evolving field, from robo-advisors and micro-investing platforms to crowdfunding. We also take a closer look at the challenges and opportunities that come with democratizing investing, such as the need for greater financial literacy and the risk of fraud.

Whether you are a seasoned investor looking to expand your portfolio or just starting out on your investing journey, we hope this issue will inspire you to explore the many new opportunities that are emerging in the world of investing. And with the Federal Reserve's March decision looming, it's more important than ever to stay informed and make informed investment decisions.

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by DARIN SOAT

Private Investing Made Simple

When it comes to investing, there is a big problem with fairness. According to a study by Cambridge Associates, venture capital (VC) returned 18.9% per year on average over the 10-year period from 2011 through 2021, compared to the S&P 500's average annual return of 13.6%. This disparity raises a question of fairness - why should only big VC funds have access to invest in these types of high-growth companies, especially when being accredited isn't enough to gain entry?

Investing in these big unicorn companies often requires writing large checks to VCs of $10 million or more, a barrier that is impossible for most people to overcome. It goes without saying that if you're reading this, you might know a thing or two about us.

We connect investors to high-growth unicorns that are often only accessible to high-net-worth individuals and institutional investors. Our platform allows everyday investors to invest in companies for as low as $10,000 ($5,000 on weekends), providing access to many of these companies at a discount to their prior fundraising round. This significantly lowers the barrier to entry and levels the playing field for all investors. I would like to take some time to share recent updates on how we are continuing to pursue our mission.

Every day, our team is moving fast to improve our product, user experience, and ultimately get closer to our goal of democratizing private investing. In September 2022, we were granted both our FINRA Broker-Dealer (“BD”) and Alternative Trading System (“ATS”) licenses, making us the first platform of its kind to achieve this status. An ATS is a regulated platform that enables the trading of securities outside of traditional stock exchanges. Launching ATS will make it possible for investors to buy and sell shares in private companies much more easily and efficiently than before.

The introduction of an ATS is a game-changer for Linqto investors. Soon, they can trade shares in private companies much more easily, providing much-needed liquidity. Investors no longer must hold positions until an IPO or acquisition. Instead, they can realize a return in a company much earlier, perhaps around a fundraising round—further allowing for greater price discovery. In addition, we made it easier for customers to invest in companies on our platform by allowing them to store cash deposits. This allows them to transact instantly without waiting for a wire to settle, and will ultimately become an integral role when we finish the rollout of the ATS. We are also working to create awareness about this investment class to larger audiences. Late last year, we launched a strategic influencer initiative and worked with Ryan Serhant to bring awareness to Linqto. This initiative was a strong step forward in raising awareness and driving more investors to our platform.

In addition, we've expanded our marketing team in just the first quarter of this year, to increase new-users acquisition and continue to get our message out. Furthermore, we've added a variety of high-quality investment opportunities to our platform.

Late last year, we added Rippling, Epic Games, and Cerebras Systems to name a few of our top investments. Our team quickly discovered that customers were interested in investing in artificial intelligence, and we moved quickly to acquire a block of SambaNova to provide other AI investment opportunities. We are actively working towards transforming our platform into a self-service model to empower our customers to make informed investment decisions. In order to achieve this, we recognize the need to provide our customers with educational resources that equip them with the knowledge and skills required to make smart investments.

To this end, we are committed to offering a diverse range of resources, such as comprehensive written and video content, which provides an overview of companies before they invest. Additionally, we will provide timely and relevant news updates to keep our customers informed about any developments that could impact their investments. Our ultimate goal is to enable our customers to make well-informed investment decisions and achieve their financial objectives.

At Linqto, our mission is to democratize access to high-growth unicorns, which are privately held companies valued at over $1 billion. We are working towards achieving this goal by taking various measures to make these investments more accessible to a wider audience. Historically, investing in unicorns has been limited to a select group of big-name venture capitalists, making it a closed-group activity.

We believe that everyone should have the opportunity to invest in these high-growth companies and benefit from their success. Therefore, we are revolutionizing the world of investing by making it more inclusive and accessible to all. We are excited to continue evolving our platform and expanding our offerings to bring investment opportunities to a wider audience in the years ahead.

We are committed to creating a level playing field for all investors, irrespective of their financial background or experience, so that they can participate in the growth of exciting non-public companies.

by DARIN SOAT

Image Credits: Shutterstock

A Push for Greater Equity

Opening Private Equity Securities to Non-Accredited Investors

Private equity securities have long been the exclusive domain of accredited investors, defined by the U.S. Securities and Exchange Commission (SEC) as individuals with a net worth of at least $1 million, excluding the value of their primary residence, or an annual income of $200,000 or more for the previous two years, with a reasonable expectation of earning the same in the current year.

Demand for a more inclusive investing approach is growing among lawmakers and investors alike, with a growing push to open private equity securities to non-accredited investors. The increasing popularity and growth of the venture capital market is one of the primary factors behind this push. As reported by PitchBook, market capitalization of VC-backed companies has skyrocketed over the past decade, having a combined market cap between $2.9 trillion and $3.7 trillion. A shift in investor preferences has contributed to this growth, with many investors seeking higher returns and greater diversification beyond traditional asset classes such as stocks and bonds.

However, this growth has also created a situation in which only a select few investors are able to access the potentially high returns of private equity securities. As lawmakers continue to grapple with wealth inequality and income disparities, many are calling for greater access to these markets as a means of promoting economic growth and fairness.

One key example of this push comes from a recent hearing held by the House Financial Services Committee's Subcommittee on Capital Markets. At the hearing, lawmakers heard from a variety of investors who argued that the SEC's accredited investor rule unfairly limited access to private equity markets. In their view, the rule was discriminatory, as it effectively barred individuals without the required net worth or income from investing in these markets.

In response to these concerns, there has been growing support for efforts to broaden the definition of 'accredited investors' to include individuals with additional indicators of financial sophistication or knowledge, including professional certifications or industry experience. In this way, more investors would be able to access private equity markets while maintaining some level of protection for those who may not be familiar with these investments.

Advocates of these changes argue that a more inclusive approach to private equity investing would prove beneficial not only for individual investors, but also for the broader economy. These markets could be opened to a wider range of investors, allowing private equity firms to access more capital, which could be used to fund innovative new ventures and support job creation. This, in turn, could help to stimulate economic growth and reduce wealth disparities. Nevertheless, opponents of these changes have argued that they could have unintended consequences. These include increasing the risk for less sophisticated investors and reducing the quality of private equity investments. Some have also raised concerns about potential fraud and abuse in these markets, which could be exacerbated by the inclusion of less sophisticated investors. Despite these concerns, there is growing momentum behind efforts to open up private equity markets to non-accredited investors.

Recent legislative proposals demonstrate this, including a bill introduced by lawmakers that would allow non-accredited investors to 10% or less of their net worth or annual income in a private offering, as well as the growing support for changing the definition of accredited investors.

It cannot be denied that the U.S. private equity market is gaining momentum toward opening to non-accredited investors. It is certainly true that there are valid concerns about the potential risks and unintended consequences associated with such a move. However, lawmakers and investors contend that a wider range of investors will benefit from expanded access to these markets.

by SUNITA ARNOLD

Exploring the World of Crowdfunding in 2023

Crowdfunding has become an increasingly popular method of raising money for initiatives, start-ups, and other projects.

Crowdfunding has disrupted the traditional fundraising landscape and has become a global phenomenon, allowing entrepreneurs from all over the world to connect with potential investors. It has opened doors for individuals who were previously unable to secure funding through traditional methods, enabling them to turn their innovative ideas into reality.

According to Investopedia, "Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture," and this democratization of capital has given rise to a new era of innovation and entrepreneurship.

It allows entrepreneurs to bypass traditional funding methods, such as bank loans and venture capital, and instead raise funds from a large pool of investors who are willing to invest small amounts of money. The crowdfunding industry has grown significantly over the past few years, with more people turning to this method of financing than ever before.

According to a report by Statista, the global crowdfunding market is projected to reach $300 billion by 2025, up from $84 billion in 2020. Younger generations have become increasingly interested in crowdfunding, with millennials and Gen Z being the most likely to invest.

Current crowdfunding regulations by country and jurisdictions in some of the major markets:

SEC regulated under Title III of the JOBS Act allows equity crowdfunding by non-accredited investors, subject to certain restrictions. Disclosure and reporting requirements must also be met.

The Financial Conduct Authority (FCA) regulates crowdfunding in the UK. Investor protection and disclosure requirements have been established by the FCA for peer-to-peer lending and investment-based crowdfunding.

The EU has implemented MiFID II, which includes provisions for crowdfunding platforms. Regulators require crowdfunding platforms to register with them and comply with investor protection measures.

Canadian Securities Administrators (CSA) regulate crowdfunding in Canada. Regulations allow accredited and non-accredited investors to invest in equity crowdfunding, with certain limitations. Reporting and disclosure requirements also apply.

This is partly due to their familiarity and comfort with online platforms and social media, which are often used to promote crowdfunding campaigns.

In contrast, baby boomers and Gen X are less likely to invest in crowdfunding campaigns, often preferring more traditional methods of investment. Despite these differences, it's worth noting that there are also many individuals from older generations who have embraced crowdfunding as a viable investment option.

As the popularity of crowdfunding continues to grow, it's likely that more and more people from all age groups will become comfortable using these platforms to invest in a wide range of projects and initiatives. To protect investors and crowdfunding platforms, regulations have been implemented by the SEC in the US and the FCA in the UK (see chart above).

The future of crowdfunding is expected to be shaped by advances in technology, including the use of blockchain and smart contracts. These technologies have the potential to make crowdfunding more secure, transparent, and accessible, while also reducing transaction costs. Furthermore, it is expected to become more specialized, with platforms focusing on specific niches or industries.

It has become an increasingly popular method of raising money for various projects and start-ups. While the industry has grown significantly, there has also been a need for increased regulation to protect both investors and crowdfunding platforms.

It is anticipated that technological advancements will play a significant role in shaping the future of crowdfunding, leading to a greater level of specialization within the industry in the upcoming years.-- END

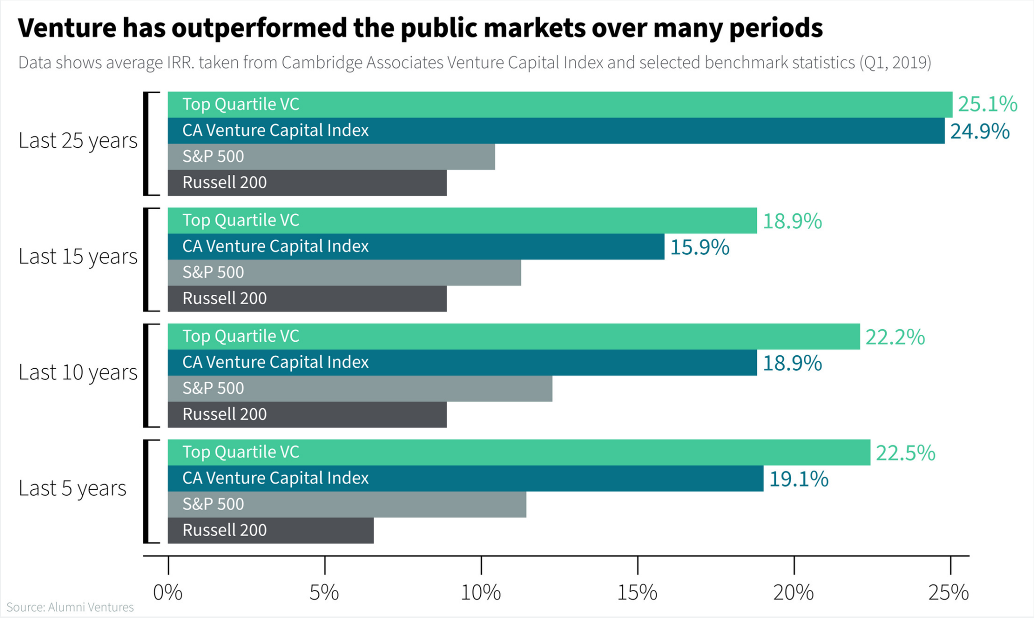
The Dominance of VC

Outperforming Public Markets and Remaining Resilient in Economic Downturns

Over the last few decades, venture capital (VC) has emerged as one of the most dominant investment classes globally, with consistently high returns for investors. A recent report indicates that VC returns are outperforming public markets by a substantial margin, making it a preferred asset class for investors seeking high returns. The report, published by Alumni Ventures, states that VC returns over a 25-year period ending in 2019 had an average net internal rate of return (IRR) of 24.9%. In contrast, the S&P 500 Index, a barometer for the performance of publicly traded companies, had an average return of around 11.0%.

This significant difference in performance illustrates the power of venture capital as an investment vehicle. These findings confirm a growing body of research demonstrating the superiority of VC over public markets. As evidenced by the performance of VC funds during the Great Recession of 2008-2009, VC has outperformed public markets across a range of economic and market conditions. A report by the 'Cane Angel Network highlights the resilience of VC during economic downturns. Despite the global economic recession, venture capital investments returned 14.07% in the year 2008. In the same year,

Image Credits: Freepik



public markets returned -38.49%. The unique characteristics of the VC asset class contribute to the VC's dominance over public markets. VC investments typically target start-up companies with high growth potential that are in the early stages of development. These companies are invested in by VC firms with the goal of helping them grow and succeed. Taking on significant risks is part of the process, but the rewards can be significant. According to a report by Harvard Business Review, VC firms provide a variety of value-added services to their investment companies. These services include strategic guidance, operational support, and access to networks of industry experts and potential customers.

Start-ups face a number of challenges in their early stages of development, from raising capital to devising a business plan to attracting customers. Luckily, these services can help these businesses to tackle these issues and take their operations to the next level. From providing financial and strategic advice to helping to find the right investors, these services aim to provide the necessary support and guidance to ensure that start-ups are successful. With their help, start-ups can build their businesses and reach new heights. Aside from discovering innovative companies and technologies before they become publicly traded, VC offers investors the opportunity to participate in the creation of them. By investing in VCs, investors can gain early access to companies that may go public or be acquired by larger companies in the future. The possibility of generating significant returns on investments can be extremely attractive to investors.

Venture capital has proven to be a powerful investment class that consistently provides high returns for investors, outperforming public markets across various economic and market conditions, and demonstrating resilience during economic downturns. The unique characteristics of the VC asset class provides investors with a rare opportunity to invest in innovative companies and technologies before they go public and potentially generate significant returns on their investments. Although VC investing is not without risks, its growing popularity among investors seeking high returns and exposure to innovative companies suggests that it will continue to be a dominant force in the investment landscape for years to come.

by RYAN PRETE

Where Venture Capitalists Are Placing Their Bets

It’s been a turbulent year for the private markets.

Startups seeking fundraising capital have faced a rollercoaster of volatility over the past year, as institutional investors have waded through a volatile market at the grip of heightened inflation, ever-increasing interest rates, and other macroeconomic headwinds. But as the dust begins to settle in the early months of 2023, and as markets start to trend upward, venture capital (VC) firms are upping their investment arsenals.

In past years, VC’s have focused much of their funding power in sectors ranging from automotive to healthcare to industrials, but a new wave of technological driven verticals has commanded much of the present attention from both Silicon Valley and global institutional investors. With public offerings still facing a severe slowdown, institutional investors have continued to move billions of dollars into the private markets in an effort to get in on the ground-floor of the next class of unicorn startups.

Let’s take a look at four sectors that are atop Silicon Valley’s priority list:

ARTIFICAL INTELLIGENCE

The artificial intelligence (AI) market has undergone explosive growth in recent years, with the rise of chatbot service ChatGPT from OpenAI creating significant buzz. Microsoft, one of the world's largest technology conglomerates, announced a $10 billion investment in OpenAI in January 2023, marking its third investment in the company and largest single-company investment to date.

Analysts at Fortune Business Insights project that the global AI market size will reach $1.4 trillion by 2029, reflecting the increasing interest and investment in AI technology. Following the success of ChatGPT, other major tech companies have quickly responded by increasing their investment in AI. Google CEO Sundar Pichai recently declared a "code red," which involved canceling some existing projects within the company and accelerating plans for AI development.

Google plans to release over 20 new AI products this year, including a version of its search engine with chatbot features, as reported by The New York Times. Generative AI (GAI), a sub-sector of AI that focuses on algorithms that can create new content, including text, audio, and images, has also gained significant interest from venture capitalists (VCs) recently. In 2022, GAI startups saw nearly $1.4 billion in VC deal value across 78 deals, which is almost as much as VCs had invested in the space in the previous five years combined, according to PitchBook. Notable recent GAI investments include Stability AI, an open-source music and image-generating system developer, which raised $101 million in a funding round led by Coatue and Lightspeed Ventures Partners and secured a $1 billion valuation. Additionally, AI content platform Jasper raised $125 million in a Series A round led by Insight Partners at a $1.5 billion valuation. These significant investments in GAI startups indicate that VCs are recognizing the potential of AI technology to transform a variety of industries.

CYBERSECURITY

The rapid expansion of technology has increased the demand for cybersecurity capabilities to ensure the safety and security of sensitive information, assets, and systems. This is due to the rise of cyber threats and attacks, which has created a growing need for advanced cybersecurity solutions to protect against these risks. As a result, venture capital (VC) and private equity (PE) firms have been actively investing in the cybersecurity space to meet this demand.

According to data from PitchBook, PE firms completed nearly $35 billion in deal value in cybersecurity firms in 2022, highlighting the significant growth and potential of this sector. Thoma Bravo, a top player in cybersecurity investing, has completed almost a third of the total deal value. In 2022, it made notable take-private deals, including the $6.9 billion acquisition of SailPoint Technologies, an enterprise identity security company. This acquisition has strengthened Thoma Bravo's position and provided comprehensive identity security solutions. Thoma Bravo also acquired Ping Identity, an intelligent identity solution for the enterprise, in a deal worth $2.8 billion, further expanding its cybersecurity portfolio and creating more opportunities for growth and innovation.

PE giant KKR also made a significant move in the cybersecurity space in April 2022, acquiring Barracuda Networks for around $4 billion. Barracuda Networks is a provider of cloud-enabled cybersecurity solutions that protect against email, network, and application-based threats. The acquisition has bolstered KKR's presence in the cybersecurity market and positioned the firm to capture a larger share of the growing cybersecurity market.

As technology continues to advance and cyber threats become increasingly sophisticated, the demand for cybersecurity solutions is only set to grow. VC and PE firms are poised to take advantage of this growth by investing in cybersecurity firms and providing the necessary capital to fuel innovation and expansion in the sector. The recent activity of firms like Thoma Bravo and KKR in the cybersecurity market underscores the potential of this sector and highlights the importance of cybersecurity in today's digital world.

PROPTECH

Proptech is an emerging industry that uses information technology to improve traditional real estate. It overlaps with fintech, and many startups incorporate digital payment, loans, and mortgages, leading to a convergence of the two industries. The significance of proptech has also increased as the sector has embraced new technologies such as artificial intelligence and machine learning, automation, and virtual services. For example, proptech companies are using AI and machine learning to analyze data on properties, tenants, and market trends to make better predictions about real estate investments.

Automation is also being used to streamline property management processes, such as tenant onboarding, rent collection, and maintenance requests. Meanwhile, virtual services such as virtual tours and digital staging are transforming the way that properties are marketed and sold. The proptech sector was valued at $18.2 billion in 2021 and is projected to be valued at $86.5 billion by 2032, according to Future Market Insights. This growth is being driven by a number of factors, including increasing urbanization, the rise of the sharing economy, and changing consumer preferences. As such, the proptech sector is expected to continue to be a key area of focus for investors and entrepreneurs alike in the years to come.

FINTECH

Institutional investors have continued to show confidence in the fintech startup market, despite the volatility and uncertainty that has characterized the cryptocurrency and digital assets space over the past year. This is notable because fintech and cryptocurrency are closely aligned. Through the first half of 2022, fintech startups collected $53.5 billion in venture capital funding, setting a projected 2022 fundraising total at just over $100 billion, according to PitchBook. Some of the top investors in the sector include 500 Global, Y Combinator, Coinbase Ventures, Global Founders Capital, Tiger Global, and others.

Fintech covers various financial services using technology to improve and innovate traditional services, such as digital payments, investments, asset management, and financing. The sector's growth is driven by mobile device and internet adoption, making financial services more accessible online. According to Adroit Market Research, the fintech market is expected to continue its rapid expansion, with a projected value of $700 billion by 2030. This growth is being fueled by a number of factors, including the increasing use of mobile devices and the internet, the adoption of new technologies such as blockchain and artificial intelligence, and the growing demand for alternative financing options. As such, the future looks bright for fintech startups, and institutional investors are likely to continue to see this sector as a promising area for investment in the years to come. --END

Ahead of the Fed's Upcoming March Meeting: What's on the Horizon?

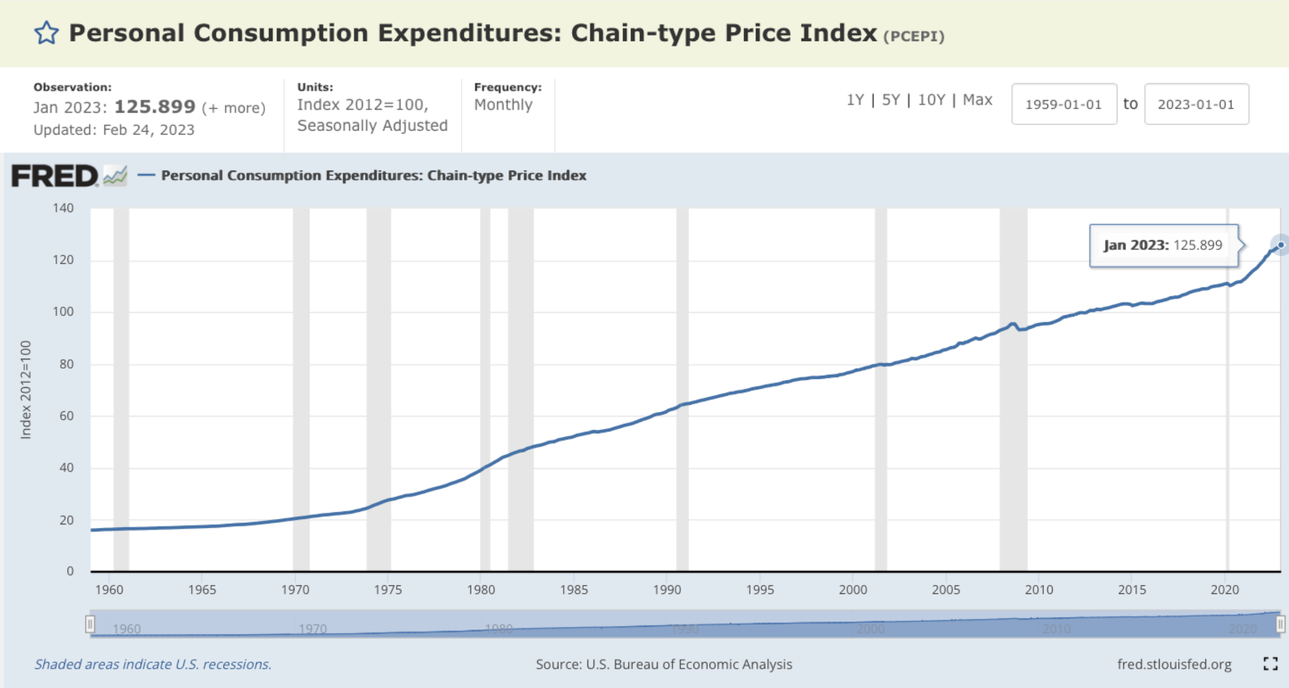
As we near the end of the first quarter, economists are still grappling with several key questions: When will inflation finally hit the Federal Reserve's targeted 2% mark? Will interest rates reach or even surpass 6%? And, perhaps most importantly, will officials issue a pause on rate hikes this year?

At its latest meeting in February, the Federal Reserve announced its eighth consecutive interest rate hike, raising rates by 0.25%. This marked a total increase of 4.50% since March 2022, making it the central bank's most aggressive rate hike campaign in four decades.

Since the February meeting, several important government-led reports have emerged, offering insight into how the Fed will adjust interest rates at its upcoming meeting on March 21-22. The core personal consumption expenditures (PCE) prices index, also known as the Fed's preferred inflation gauge, showed a rise of 0.6% in January and 4.7% from the previous year, exceeding economists' expectations. The report caused a stir in public markets, with both the S&P 500 and Dow Jones indices experiencing a decline of 3.62% and 4.21% respectively, after a successful January. Meanwhile, the ongoing conflict between Russia and Ukraine has caused economic instability on a global level, contributing to heightened uncertainty in foreign markets, as noted by the central bank.

Despite the market, Federal Reserve Bank of Chicago President Austan Goolsbee has emphasized that the central bank must not rely too heavily on market reactions in their decision to raise rates. Goolsbee stressed that officials must supplement traditional data with real-world observations to make informed decisions. As a voting member of this year's policy-setting Federal Open Market Committee, Goolsbee highlights the importance of factoring in the "strange and up in the air" pandemic-era circumstances in their decision-making process. Goolsbee refrained from expressing his opinion on the amount by which the Fed should increase rates, but other Fed officials have been more forthright in their public remarks.

According to an interview with Reuters on February 24th, Federal Reserve Bank of Cleveland leader Loretta Mester referred to the latest government inflation report as "another indication that the impulse of inflation and price pressures is still with us." Mester believes that the central bank must put in more effort



Core Personal Consumption Expenditures (PCE) is a reliable inflation measure that excludes volatile food and energy prices. If it indicates rising inflation, the Fed may raise rates to prevent it from escalating. Alternatively, if it shows low inflation, the Fed may reduce rates to stimulate the economy and boost inflation. The above chart displays the variations in consumer prices, normalized from 1960 to Jan 2023, with the grey regions indicating recessionary periods. Source: FRED Economic Data

to get inflation on a sustainable downward trajectory toward 2%. Recently, Mester has been a more aggressive voice among Fed officials, having advocated for a 50-basis point increase at the Fed's February meeting, in opposition to her colleagues' majority support for a 25-basis point hike. St. Louis Federal Reserve President James Bullard, who supported a 50-basis point increase alongside Mester last month, believes that the Fed needs to increase rates more rapidly to contain inflation. While the majority of Fed officials favor a gradual 0.25% rate increase in March, Bullard and Mester are pushing for a more substantial increase. Bullard also stated that he believes the U.S. has a "good shot at beating inflation in 2023" without causing a recession. Richmond Fed President Thomas Barkin, on the other hand, has expressed his preference for a 25-basis point hike, stating that it would provide officials with the flexibility to react as data and government reports are released in the coming months.

The Fed's March decision will be influenced by two government reports: the CPI data release on March 14 and the PCE report on March 31, after the Fed's decision. Fed Chair Jerome Powell acknowledged in February that inflation would take time to address, and multiple rate hikes are likely.

As the Federal Reserve's March decision approaches, investors are becoming more uncertain about its impact on interest rates and markets. Officials are split between those calling for aggressive rate hikes to address inflation and those who fear such a move could slow economic growth. The Fed is expected to closely follow the CPI data release on March 14 and other upcoming government readings to guide its decision. In any case, the decision will have significant implications for investors in the near future.

What is the Personal Consumption Expenditures Index?

The Personal Consumption Expenditures Index (PCE) is a way for economists to measure how much money people are spending on things like food, housing, clothing, and other goods and services. It helps to show how prices for these things are changing over time, which can indicate if inflation is increasing or decreasing.

What is the frequency of PCE data releases?

The PCE is released monthly and is part of a larger report on personal income and spending. Economists use various indexes, including PCE, to measure inflation since it's difficult to measure. The PCE is a subset of the Gross Domestic Purchases Price Index which is published by The Bureau of Economic Analysis.

What does PCE measure and how do you calculate it?

Prices of goods and services purchased by US consumers are tracked by the PCE index. Using Core PCE, which excludes volatile food and energy costs, provides a more accurate measure of inflation trends, while individual components are weighted differently.

Source: TheStreet

Calculating the PCE Index

The BEA analyzes data from the US Census, other government agencies, and private organizations.

It then separates consumer goods into three categories:

Durable Goods

Includes motor vehicles, furniture, and other household goods.

Non-Durable Goods

Includes items with a lifespan with 3 years or less including perishable items such as food and energy costs.

Services

Encompasses everything from housing to insurance, healthcare, and transportation.

The total amount in each category is then calculated before it is 'normalized' through a price deflator.

This sets a baseline year that is used to compare the current prices and helps to determine the rate of inflation.

DRIVEWEALTH

A visionary technology company that empowers its partners around the world to connect with their customers by placing the markets in the palm of their hands.

$3.7 billion	5	$833 million	2012
VALUATION	FUNDING ROUNDS	FUNDING	LAUNCHED

DEMOCRATIZING INVESTING AT A GLOBAL SCALE

Low-cost and accessible investment options: DriveWealth's success can be attributed to its commitment to providing affordable and easily accessible investment options, with no minimum balance requirements and low deposit minimums. Additionally, its offering of zero-commission ETF trading, low-cost options trading, and paper trading accounts appeals to traders seeking to minimize costs while maximizing returns.

User-friendly platform: DriveWealth's platform is designed to be user-friendly, with a mobile app that provides real-time market data and a variety of investment options. Trading on the platform is easy, and traders have access to all the information they need to make informed investment decisions.

Strong partnerships with financial institutions: Having built partnerships with more than 100 financial institutions globally has helped DriveWealth establish itself as an industry leader. These partnerships provide DriveWealth with access to a wide range of investment options and help the company stay ahead of the competition.

Retail investor net flows into the stock market averaged $1.3 billion per day in the first half of 2022. Investing by consumers, particularly through fintech wallets and trading platforms, reflects the trend towards more financial control.

DriveWealth was named as a 2022 New Jersey Top Workplace and also received two Built In awards for for Best Midsize Companies to Work For and Best Paying Companies in New York City, both for the second consecutive year.

DriveWealth is committed to helping traders make informed investment decisions, and as such, it provides a range of educational resources, including real-time market data and access to a variety of educational materials.

Robert Cortright, the founder of DriveWealth, a widely recognized thought leader in the online brokerage industry, has built the platform into one of the most popular online brokerages in the world, serving customers in over 50 countries.

ACORNS

Prioritizing the financial well-being of emerging individuals by facilitating the empowering process of micro-investing.

$1.8 billion	6	$637 million	2012
VALUATION	FUNDING ROUNDS	FUNDING	LAUNCHED

SMALL CHANGE, BIG GAINS: TRANSFORMING EVERYDAY SPENDING

Impressive growth since its founding in 2012: With an estimated average of 8.2 million users and $4.7 billion in assets under management as of 2022 according to Forbes. The strong user base and market share make Acorns an attractive investment opportunity, especially considering the trend towards democratizing investment and the potential for further growth in the sector.

A robo-advisor solution for the new generation of investors: The platform's robo-advisor continuously monitors and adjusts each user's portfolio to ensure that it remains diversified and optimized. Through the platform's micro-investing 'round-ups' feature, users are able to invest small amounts of money automatically with every purchase they make.

Unique subscription-based model sets it apart from other fintech companies: Acorns has demonstrated innovation by introducing a debit card, cashback program, and retirement account products. This approach has helped the company broaden its services and maintain a competitive edge.

Among Acorns' recent developments, their Bits of Bitcoin feature allows users to allocate up to 5% of their investments to Bitcoin-linked exchange-traded funds (ETFs) further diversifying users' long-term investment portfolios.

Jeff Cruttenden was just 21 years old when he co-founded Acorns. He came up with the idea for the company when he was a student at the UC-Irvine, and wanted to help his peers start investing with small amounts of money.

Acorns plants one tree for every $5 invested. Funds raised from this program are used for oak tree planting and reforestation projects across the country, which improve air quality, reduce carbon emissions, and create jobs.

Acorns has attracted investment from a variety of sources, including venture capital firms, private equity firms, and strategic partners. NBC Universal, Rakuten, and PayPal are some of the company's major investors.

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