WealthTech Market Update
Spring 2023

The wealth management industry is undergoing major disruption. Some of the trends include wirehouse advisors flight to independence; demographic shift of wealth; and rising client expectations of advisors. Technology is fueling this disruption and is redefining the advisor-client relationship. Clients demand holistic advice, greater personalization, and proactive and meaningful engagement. Digital transformation provides exciting opportunities for wealth managers to unlock client-centricity, strengthen operations, increase productivity, and address regulations and cybersecurity threats.

WealthTech Market Overview

Notable Market Trends

Technology has Become a Key Differentiator

Financial advisors continue to spend more on technology to gain internal efficiency and provide deeper advice and better service to their clients

Technology recognized as the most effective growth accelerator

Emerging Advisors' Needs Continue to Drive Demand for Technology

Modernizing services, capitalizing on data, bolstering security and prioritizing customer experience are forcing advisors to adapt and adopt technology solutions

Digital Client and Advisor Experience Driving Demand for Fully Integrated Solutions

Increasing focus on ecosystem integration and all-in-one platforms

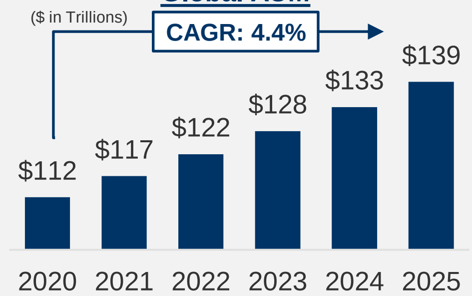
Automated customer journey will enable advisors to attract, retain and grow clients

WealthTech Dealmaking and Capital Raising Activity Will Continue to Grow

Larger firms seek to acquire point solutions and private investors aim to add WealthTech to their investment portfolio

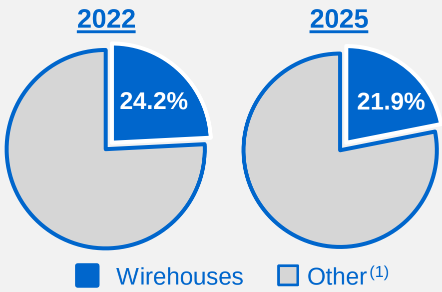
Wealth Management Tailwinds

Global AUM



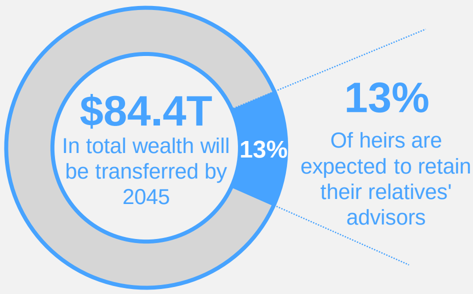
Global Assets Under Management (AUM) is expected to experience strong growth

Total AUM Market Share



Independence becomes more accessible to advisors

Generational Wealth Transfer



Wealth transfer presents both a large challenge and opportunity for advisors

(1) Includes IBDs, RIAs, hybrids & online brokers

Sources: Aite-Novarica Group; Capco; Cerulli; Consulting.us; InvestmentNews; Think Advisor

Select WealthTech M&A Activity

Date	Buyer	Target	Sub Vertical	Date	Buyer	Target	Sub-Vertical
Apr 2023	smartasset	DEFT SALES	Business Development	Dec 2021	moneytree	eFinPLAN	Financial Planning Software
Mar 2023	T.RowePrice	Social Security Solutions	Retirement Planning Software	Nov 2021	complysci	RIA in a Box	Compliance Software
Mar 2023	GeoWealth	First Ascent Asset Management	TAMP	Oct 2021	Orion	BasisCode Compliance	Compliance Software
Mar 2023	Altruist	Shareholders Service Group	Custody Platform	Aug 2021	Hg	riskalyze	Risk Management
Dec 2022	AssetMark	Adhesion wealth	TAMP	Aug 2021	Addepar	AdvisorPeak	Trading and Rebalancing Software
Nov 2022	Harris	nexj systems	CRM	Jul 2021	AssetMark	voyant	Financial Planning Software
Jun 2022	univeris	TechRules Financial Solutions	Portfolio Management & Reporting	May 2021	investcloud	Advicent	Financial Planning Software
Jun 2022	Orion	Redtail	CRM	May 2020	Franklin Templeton	AdvisorEngine	CRM, Portfolio Management & Reporting
May 2022	Orion	TownSquare Capital	TAMP	Mar 2020	Morningstar	PlanPlus Global	Financial Planning, Risk Management

Select WealthTech Financing Activity

Recent Funding Date	Company	Lead Investor(s)	Sub-Vertical
April 2023	Altruist	Insight Partners, Martin Bicknell & Ron Carson	Custodial Platform
March 2023	LUMIANT	Savant Wealth Management & Invest Blue	Advice Engagement
January 2023	ZOE FINANCIAL	Mariner Wealth, CapFinancial, CreativePlanning, & Sequoia Financial	Lead Generation
September 2022	CONQUEST	Portage Ventures & Fidelity International Strategic Ventures	Financial Planning
September 2022	ethic.	Jordan Park Group	Direct Indexing
May 2022	TIFIN	Franklin Templeton & Motive Partners	AI-based Platform
May 2022	SMArtX Advisory Solutions	Morningstar	Alternative Investment
April 2022	EV ELLEVEST	Envestnet, Halogen Ventures, Cleo Capital, Stardust Equity, & The Venture Collective	Robo-Advisor
January 2022	CAIS	Apollo & Motive Partners	Alternative Investment
August 2021	BridgeFT	FINTOP Capital & Mission OG	WealthTech-as-a-service Platform
August 2021	smartasset™	Andrew Vigneault, CMFG Ventures & Javelin Venture Partners	Lead Generation
July 2021	iCapital NETWORK	Temasek	Alternative Investment
July 2021	Vestwell	Allianz, Fin Capital, FinTech Collective, F-Prime Capital & Goldman Sachs	Digital Retirement

Select Company Spotlights

Company	HQ	Ownership	Year Founded	Description
Addepar	New York, NY	D1 Capital Partners, WestCap & Valor Equity Partners	2009	All-in-One Platform
Advyzon	Chicago, IL	Founder Owned	2012	All-in-One Platform
Altruist	Los Angeles, CA	Insight Partners, Martin Bicknell & Ron Carson	2018	Custodial Platform
Apex Fintech Solutions	New York, NY	PEAK6 Investments, SoFi & Penson Worldwide	2012	Clearing and Custodial Platform
GeoWealth	Chicago, IL	JP Morgan & Kayne Anderson Capital Management	2010	TAMP
holistiplan	College Station, TX	Founder Owned	2019	Tax Planning Software
Orion	Omaha, NE	Talent Resources Ventures, Genstar Capital & TA Associates	1999	All-in-One Platform
riskalyze	Sacramento, CA	Hg Capital	2011	Risk-Centric Management Platform
RightCapital	Shelton, CT	Camellia Venture Capital	2015	Financial Planning Software
Wealthbox	Providence, RI	Frontier Growth & Bel45 Capital Partners	2012	CRM
YCharts	Chicago, IL	LLR	2009	Investment Data & Analytics

Key Takeaways from 2023 T3 Conference

WHA attended the 2023 Technology Tools for Today (T3) conference in Tampa, Florida. The event drew a large gathering of financial advisors and representatives across the fintech industry and featured product demos from WealthTech firms, panel discussions from company executives, industry experts and investors, and several news and announcements.

- Vendor Integration
- Cyber Security
- Direct Indexing
- Artificial Intelligence
- Client Onboarding
- Specialized Financial Planning

Contact us to discuss any of the above or our thoughts on emerging trends, technologies and transaction activity in WealthTech

Steven Levitt
Managing Director
Steven.Levitt@parksuttonadvisors.com
(917) 892-6145

Alain Nono
Director
Alain.Nono@wallerhelms.com
(312) 319-4405

WHA