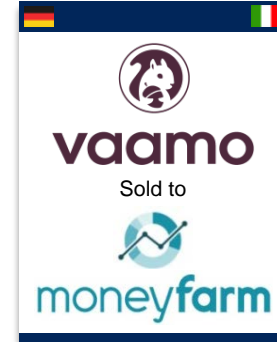


Growth Strategy: Robo Advisory goes Europe

December 2018

Moneyfarm – Vaamo deal summary

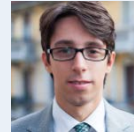


- Vaamo is one of the pioneers in digital wealth management (“robo advisory”) in Germany serving both end consumers (B2C) and financial institutions/investment advisors via white label solutions (B2B).
- Moneyfarm is a fast growing robo advisor with Italy (2012) and UK (2015) already serving two geographical markets successfully, backed by investors like e.g. United Ventures (ITA) and Allianz (GER).
- By taking over vaamo, Moneyfarm accelerates its market entry in Germany and expands its presence to 3 European core markets.
- Both from a Moneyfarm and a Vaamo perspective this is a remarkable move in order to actively play a role in fast changing robo advisory markets and to form a basis to occupy (and grow) strategically important market positions.



“Moneyfarm’s acquisition of vaamo marks an exciting new phase of growth for both companies, as we look to combine our European experiences to provide more personalised and innovative investment advice solutions internationally.”

Dr. Thomas Bloch, Co-Founder and Co-CEO vaamo












“Vaamo’s strong foothold in the German market and established B2B offering made them an attractive acquisition to further cement our position as a pan-European investment provider.”

Giovanni Daprà, Co-Founder and CEO Moneyfarm

“Robo advisory has just started to impact wealth management but euphoria has been transformed into realism. High customer acquisition costs for FinTechs, conflict of objectives for retail organizations and pricing so far prevent robo models to quickly gain significant market share.

With financial institutions entering the market more and more competition increases and paves the way for the next evolutionary step. Cross borders, enrich and individualize the offering, know your customer and consequently digitize processes seem to be success factors to reach the next level.”

Latest market developments (selected)

-  Finconomy develops a new white label robo offering
-  Alior Bank announces to form a new pan-European digital bank – inclusion of (white label) robo advisory solution possible
-  Haspa/Investify cooperation ended, Haspa speculated to offer Deka’s Bevestor prospectively
-  Commerzbank abandons own robo offering plans and instead focuses on Comdirect’s comvest
-  UBS exits SmartWealth offering and sells to SigFig
-  Scalable expands its offering to white label solutions with Open Bank (Santander) being first client
-  Hauck & Aufhäuser launches additional digital wealth offering Zeedin
-  Fidelity launches own digital asset manager
-  Finova integrates TrueWealth solution into its IT offering

Comments

- Cooperation models in most cases imply a conflict of objectives and might not be considered as long lasting.
- To attract both self-directed and advisory clients the digital offering needs to deliver additional value, going beyond hybrid to a more holistic approach.
- “Digital” isn’t onboarding and portfolio management only, other disciplines (CRM, compliance) are becoming part of the game.
- Robo advisory offerings need to be properly connected to further services or platforms – technology follows UX - to support client acquisition and client stickiness.
- Competition will increase as established financial institutions more and more enter the market either with a solution developed in-house or white-labelled, but in any event leveraging own brand and client base.
- We expect the market to develop into three types of players:
 - very few independent robo advisors with clear differentiation and geographically operating across borders
 - technology providers offering white labelled solutions
 - own robo offerings by (larger) financial institutions

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