

DriveWealth secures \$450M to push the boundaries of retail investing

Article

The news: The Series D round pushes the API brokerage platform's valuation to \$2.85 billion, and it will use the funding to make strategic acquisitions, [per](#) its press release.

What does it do? [DriveWealth's](#) API gives fintechs and financial institutions (FIs) the underlying infrastructure to offer fractional share trading and robo-advisory products. Its current partners include **MoneyLion**, **Stake**, and **Revolut**.

Why the significant round? Since its last raise in October, DriveWealth has made acquisitions and partnerships to heighten its appeal to direct-to-consumer trading platforms amid the retail investing boom.

In January, it acquired broker-dealer [Cuttone & Company](#) so clients can offer institutional-level trading services like direct access to the NYSE securities' point-of-sale. And it partnered with [Plaid](#) in April to accelerate authentication and bank transfers to investing accounts for a smoother user experience.

These improvements came just as retail investing kicked into high gear, leading to a record-breaking year so far for DriveWealth: **Trading volume powered by its platform in H1 2021 has already surpassed all of 2020, per its Global Retail Trends Report.**

Looking ahead: The next boost in DriveWealth's trading volume will come from easing access to cryptos and embedding investment services on nonfinancial platforms.

- **Cryptos.** [Robinhood's](#) Q2 earnings were driven primarily by crypto transactions, something we expect will be the case for more digital brokers, and this will push demand for the underlying infrastructure. In April, DriveWealth CEO Bob Cortright [told](#) Insider Intelligence the company aims to power crypto trading "because our partners are demanding it." **The fact that crypto exchange unicorn FTX participated in the Series D round is further proof of the fintech's crypto plans.**
- **Nonfinancial brands.** DriveWealth already lets global brands add investing options to loyalty rewards tool kits, like topping customer credit card swipes with fractional shares of their stock. Now, we're seeing retail giants like [Walmart](#) and [John Lewis](#) launch new fintech products. **More could follow suit and combine their troves of customer data with DriveWealth's API to create tailored portfolios based on users' shopping habits.**