
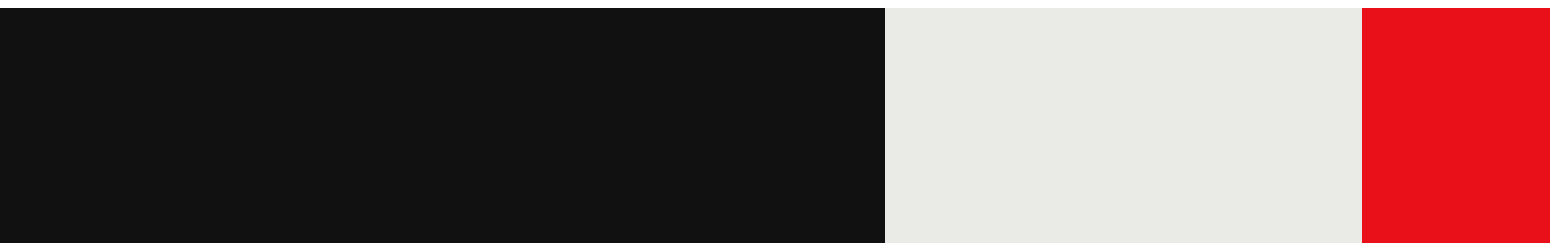


InvestCloud eyes IPO to become wealthtech platform of choice

Article



The news: The US-based technology vendor for global asset and wealth managers is considering an IPO that could value it at up to \$10 billion to fulfill its goal of becoming a global platform.



InvestCloud offers a comprehensive set of wealthtech services via four subplatforms: wealth advisor, private banker, financial supermarket, and a customizable financial platform.

How we got here: InvestCloud has had a record year supporting wealth managers' digital transformation.

- The wealthtech struck a chord with wealth managers at the right time: **Eighty-five percent of business leaders** across a range of wealth management firms reported last year that partnering with third-party providers was important or very important for their company in the next 12 to 18 months, per our **“The US Wealth Management Ecosystem”** report.
- As a result, InvestCloud reached a **\$1 billion valuation** in February and now has more than \$4 trillion in assets on its platform. Revenues, meanwhile, have surpassed \$285 million and are **projected to reach \$400 million next year.**

Why an IPO? While Investcloud hasn't made a decision yet, an IPO could be its best bet to take on competitors globally.

- InvestCloud has made clear its plans for global domination, ramping up operations in European and Asian markets over the past year. But it faces large peers that also offer all-encompassing solutions and are backed by significant capital.
- **Enfusion**, for example, went public last month priced at **\$1.9 billion**, highlighting market appetite for such solutions. And **IHS Markit**, which is owned by **S&P Global**, just unveiled a digital onboarding solution for fund managers. Early-stage wealthtechs are also raising record private funding, which could pose new threats to established vendors.
- As such, an IPO would be an effective way for InvestCloud to draw the necessary capital to expand its product suite globally and remain competitive.

Ability of Financial Professionals vs. Technology to Do Select Tasks Well According to US Investors, June 2021

% of respondents

Give financial advice



Provide customer service support on an account-related question



Understand my entire financial situation



Answer basic questions about my financial situation



Create an investment portfolio personalized for me



Create a financial plan



■ Financial professionals ■ Technology

Note: n=1,000

Source: Charles Schwab, "Charles Schwab Investing & Technology Survey 2021" conducted by Logica Research, Sep 28, 2021

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