



moneyfarm



Allianz Ventures on investing into Moneyfarm

“The term Robo-Advisors refers to a category of online Investment Advisor platforms that directly connect customers with suites of analytical tools designed to create investment portfolios that can fit the needs of a customer based on information the customer provides. These platforms rely on algorithms that take the customer’s information and use an underlying asset allocation model to help determine the individual’s optimal portfolio based on the answers to the planning questions.”

Source: CNBC “Disruptor List”

In 2015, Allianz Ventures identified Robo Advice as a potentially transformative topic for the Asset Management industry, due to shifting demographics and increasing appetite by customers to research and purchase complex financial instruments online.

Because smaller accounts were historically too expensive to administrate profitably, investment advisors have tended to focus on affluent investors. Pure digital platforms are allowing investment advisors to access traditionally untapped markets, investors with less than \$100,000 to invest. Europeans are estimated to invest a mere 8% of their investible assets. Neglect of the “mass affluent” and “middle market” by asset managers leaves at least €4 tn of investible assets uninvested. Using digital channels, the mass affluent customer base is empowering itself to seek simple, inexpensive investment advice and trading solutions.

But these demographic and financial considerations are not the only opportunities represented by gaining access to nascent digital wealth management companies. Allianz Ventures screened the startup ecosystem in search of a great investment target and a great potential partner to accompany Allianz on its digital transformation journey.

In order to effectively elaborate collaboration options, with an eye on mutual value creation both for a startup and for Allianz, Allianz Ventures joined forces with Allianz Global Investors. Together, we conceptualized some potential partnership ideas. We evaluated a number of startups. When we met Moneyfarm, it felt immediately like a great fit.

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There were several important factors that made an investment in and a partnership with Moneyfarm particularly attractive:

- Moneyfarm's talented, mature founding team, is committed to reshaping financial services for the future by providing transparency, low cost and a great user experience.
- Moneyfarm and Allianz share the desire to create a full lifetime digital wealth management solution, not a simple Robo Advisor.
- Moneyfarm and Allianz share certain approaches to asset allocation and asset management.
- Moneyfarm was open to engaging an incumbent player, like Allianz, to create mutual value.

Allianz Ventures's mission is to strengthen Allianz by investing in innovation. Investing in Moneyfarm is allowing us to explore the world of digital wealth management through hands-on experience in a committed partnership.