

Trading stocks from the palm of your hand; Voleo's DIY app revolutionizes the wealth-management industry

BY PAULA ARAB

A Canadian "fintech" company is revolutionizing the wealth management industry with its patented technology that empowers do-it-yourself investors and targets millennials.

Vancouver-based Voleo's user-friendly mobile app enables investors to build and manage individual portfolios or start an investment club. The company is a regulated broker dealer in the U.S., with membership in both regulators -- the Financial Industry Regulatory Authority and the Securities Exchange Commission -- not an easy feat to achieve. Voleo (Investor Relations website <https://ir.myvoleo.com/> and B2C site www.myvoleo.com) is now preparing to go public as early as March, after an initial public offering was issued in Canada earlier this year.

A fun and collaborative gaming-like app, the technology has led to a revival of investment clubs. Members, who aren't necessarily geographically located in the same place, can digitally connect, propose stocks, vote democratically on stock picks and instantly make the purchase. They can also measure their stock performance through Voleo's patented Definitive Return On Investment Decisions (DROID) technology.

The investor platform is already live in the U.S., operating as a business-to-consumer (B2C) financial services technology company (fintech) targeting retail investors. With only a soft-launch in 2017, Voleo already has thousands of U.S. customers and is growing at a record pace of 20 per cent on average growth in new users per month, which include individual account holders and members of investment clubs.

"The scalability of our technology makes it a compelling opportunity, along with the fact that we can greatly increase the number of customers we have in our channels," says Beattie, a former investment banker who believes Canada's six big banks are missing out on opportunities to increase market share because they have few incentives to innovate.

"Voleo's DROID technology is highly applicable to anything where people are betting on outcomes because it allows us to measure those outcomes," said Beattie.

The patent has been filed and is awaiting approval, after which it can be leveraged to other industries,



Voleo converts savers into investors and research find that billions of dollars sit dormant in personal savings accounts. SUPPLIED

including an independent cryptocurrency platform, which is already in development, and gaming platforms for sports betting, eSports and fantasy sports apps, all of which have been conceptualized. And once the company goes public, it will have raised \$5 million in financing to market and scale the business.

Under the B2C financial model, Voleo charges a \$12 fee per trade and takes 80 per cent of that as gross margin. But the real revenue will come from its B2B model -- namely partnerships with banks, such as that announced in December with OP Financial Group, the largest financial

services group in Finland. The B2B model is a turn-key, white-label service. Voleo builds the platform, in this case for the European market, and the app will be marketed under OP Financial's name and brand.

A similar partnership with one of Canada's Big Six banks should be announced within the year, after which the app will be available to Canadians, said Beattie, adding such partners "will be a big factor of our future growth."

"There's no doubt the financial landscape is changing and it's exciting to be part of it," says Alana Levine, Voleo's marketing director, who

Voleo CEO, Thomas Beattie, presenting in New York where Voleo was a Best-of-Show winner at Finovate 2017 a U.S.-based industry conference of 70 competing companies. SUPPLIED

was first a Voleo investor before being hired for her impressive background in B2B business development.

"I saw a massive opportunity for Voleo to partner with financial institutions looking for ways to engage their less-active investing demographics."

They're largely millennials. Study after study shows Generation Y carries some form of debt but has little financial literacy. The majority refuse to seek professional help, turning instead to Google or friends.

It's this group that Voleo is well-suited to serve.

"We've created a digital environment that hasn't existed before, where communities of new or experienced investors can interact, discuss, collaborate and learn from each other, and build confidence in the process," said Levine. "Voleo is an ideal entry point."

After the financial meltdown of 2008, many people became disillusioned with the financial markets, distrustful of investment advisers and cynical about the wealth man-

agement industry.

A lack of trust in traditional investing, fear of not knowing how to invest, cost and a misbelief that one needs a certain amount of capita are all barriers Voleo addresses "in a safe place, where investing costs are shared among friends and people you trust, and where you can kick-start your wealth growth by learning directly from others," said Levine.

Dawna Willis, a 47-year-old nurse practitioner from West Tennessee, is one investor who has found a safe haven in Voleo. She belongs to two investment groups -- Stocks and Stiletto's, and Ambrose Bailey Investments. The former club invited her to join, the latter she founded for her family members and named after her grandparents.

"I have gained through Voleo a new-found confidence in investing in the stock market and creating financial goals for myself and my family," said Willis, the mother of two children, the oldest of whom is in college. "Because of the ease of use with this app, I have invested in courses to learn about more advanced investing techniques, like options and day-trading."

She also likes the app's low-fee structure, its user interface, the option to start trading in a simulation account before going live, and the ability to log into the app and have all of the portfolio's stats at her finger tips. For instance she can track transactions, contributions, what participant owns how much, and the portfolio's gains or losses by day, week, month or year.

Beattie, 37, wishes such an app existed when he was starting out. Back then he tried to get his friends to form an investment club when they were all in their 20s, but couldn't get them interested enough to fill out the "mountains of paperwork."

Thus, some of his buddies today, still don't invest. And more than how much you know about investing, or how good you are at picking stocks, it's starting to invest early -- and doing so consistently throughout your life -- that will make the biggest difference, he said.

Beattie's biggest stock tip:

"Beating the market is less important to your financial future than if you start investing at 21 instead of 41. Slightly under-performing or over-performing won't change anyone's life but starting at 21 instead of 41 will."