

FINCAD®

Capital Markets | Surrey, BC | Founded: 1990 | Employees: 125+ | <https://www.fincad.com>

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TWITTER: <https://twitter.com/fincad>

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=1193892>

LINKEDIN: <https://www.linkedin.com/company/fincad/?originalSubdomain=ca>

COMPANY OVERVIEW

FINCAD is an international technology provider of risk analysis and valuation software for derivatives which has headquarters in Vancouver, New York, Dublin and London. The company provides their clients with the technology necessary to help reduce their risk, improve returns, and streamline the office workflow. FINCAD is an industry leader that provides value to buy and sell-side firms including hedge funds, asset managers, insurers, banks, and auditors.

SENIOR MANAGEMENT

Robert (Bob) Park: President and CEO (2003-Present), Member of Governing Council, Canadian Advanced Technology Alliance. Previously: Co-founder, FINCAD (1990-2003), VP, CIBC Wood Gundy (1987-1990). Education: University of Saskatchewan

Mike Brooks: COO (2011-Present), Consultant, CORPGROWTH Management Inc (2008-Present). Previously: VP Corporate Development, SAP Business Objects (2005-2007), VP Product Alliances, SAP Business Objects (2003-2005), Director, Alliances & Corporate Development, Crystal Decisions (2000-2003), Strategic Alliances Manager, Crystal Decisions (1997-2000), OEM Account Manager, Crystal Decisions (1995-1997), Education: MBA, The University of British Columbia (1993-1995)

James Church: VP Products and R&D (2014-Present). Previously: Director Product Manager, FINCAD (2011-2014), VP OLAP Product Management, SAP Business Objects (2003-2005), Director- Analytics Product Management, Crystal Decisions (2002-2003), Group Product Manager- Analytics, Crystal Decisions (1999-2002), Senior Program Manager, Crystal Decisions (1996-1999), Implementation Manager, Holistic Systems Limited (1993-1996), Analyst/Programmer, Kerry Foods (1991-1993), Consultant, Link Associates (1989-1991), Programmer, Total Systems PLC (1987-1989) Education: BSc, Computer Science, Staffordshire University (1984-1987)

HISTORY

In 1990, Robert Park, a Manager of Wood Gundy, and David Glassco, an options trader, worked together on a software called The Perfect Hedge under the company Glassco Park Inc. The program was developed by Glassco, and with the connection from Park the idea evolved into a training program which was first demonstrated inside the Wood Gundy office.¹ In 1997, Glassco Park Inc. was renamed to FinancialCAD Corp. after its program that is used on Windows.² In 2007, FINCAD opened a new headquarters in Dublin, Ireland to help expand internationally.

FUNDING

FINCAD raised \$3.85 million in 2001 with a private placement of common shares to a mixture of private and institutional investors. Previous investors in FINCAD included Nichimen Corporation and TechMatrix as well as various angel investors.³ In January 2016, it was announced that FINCAD completed \$7 million debt financing with Wellington Financial.⁴

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.fincad.com/about-fincad/news/press-releases>

April 12, 2012: [FINCAD expands Asia presence with new partnerships](#)

Jan 18, 2017: [FINCAD enhances portfolio valuation and risk solution](#)

March 20, 2018: [FINCAD recognized as best-of-breed for hedge fund risk management technology](#)

¹ <https://global.factiva.com/redir/default.aspx?P=sa&an=finp000020011025dr3e004ni&cat=a&ep=ASE>

² <https://global.factiva.com/redir/default.aspx?P=sa&an=nbyt000020011007dt6g006ej&cat=a&ep=ASE>

³ <https://global.factiva.com/redir/default.aspx?P=sa&an=bwr0000020010919dx9j00bf6&cat=a&ep=ASE>

⁴ <http://www.fincad.com/about-fincad/news/press-releases/2016/fincad-closes-7-million-growth-financing>

BUSINESS HIGHLIGHTS

STRATEGY

FINCAD currently uses their technology in three distinct areas of focus within capital markets:

- **Modelling and Analytics**– FINCAD’s software allows users to be able to quickly model various financial instruments with flexibility which allows clients to take advantage of new investment opportunities.
- **Investment Management**– FINCAD’s F3 program allows for accurate on-demand valuation which allows for proactive investing and hedging based on real-time information.
- **Risk Management**– The programs allow for scenario analysis and risk simulations that can help enable companies to manage an optimal portfolio while being proactive with their risk.

PRODUCTS AND PRICING

- **F3**: FINCAD offers F3 as an enterprise solution that allows users to model, price, value and manage the risk of complex derivatives and fixed income portfolios. F3 allows clients better returns on their investments due to the flexibility, instant access to market information and comprehensive reporting.
- **FINCAD Analytics Suite**: There are two FINCAD Analytics Suites which are for Excel and for developers. Analytics Suite for Excel which runs on the desktop and provides 200 workbooks with simple inputs for Microsoft Excel. FINCAD Analytics Suite for Developers is a solution that can build or improve existing operating systems through programming.
- **Insight**: Insight is a software-as-a-service product line that is offered by FINCAD with two different versions: Fair Value Insight and Hedge Accounting Insight. Fair Value Insight is an affordable and automated web platform that performs mark-to-market valuation and runs risk reports on demand. The Hedge Accounting Insight provides the same features at Fair Value Insight but also integrates hedge effectiveness testing as well as the integration of audit, finance, and treasury divisions.

TECHNOLOGY

FINCAD uses its technology as its value proposition to compete within the software space for derivatives. FINCAD leverages its technology to make difficult financial decisions seamless and easier. The architecture of FINCAD’s Enterprise platform allows scalability as companies grow and can be easily integrated with other software.⁵

DISTRIBUTION / LOGISTICS

FINCAD is currently an industry leader that provides value to both buy and sell firms which include hedge funds, asset managers, insurance companies, banks, and auditors. There are 70 service and technology companies that are a member of the FINCAD Alliance program that allow them to use FINCAD analytics.⁶ There are four main partnership options that utilize the technology which are: Embedded Partners, who use the software to meet client needs; Solution Partners, which applies FINCAD’s technology through their own applications; Service Partners, which use the technology during consulting or training engagements; and Data Partners, which use FINCAD’s data.⁷

MARKETING

FINCAD offers a channel partnership with other tech companies that requires the partner to market, sell and provide technical support in a designated area; this allows FINCAD to reduce their overall marketing costs.⁸

COMPETITORS

There are many international companies that have created their own software to assist in the valuation and risk mitigation in capital markets. While FINCAD is a Canadian company, they must compete with companies such as:

1. [Numerix](#) – (New York, USA) Numerix is an international company that provides software for risk analysis of different investments within capital markets.
2. [Riskdata](#)– (Paris, France) Riskdata provides real-time computation technology to provide risk analysis across various asset classes with a focus on buy-side firms.

⁵ http://resources.fincad.com/public/Content/productdocs/F3_Enterprise_Platform_Datasheet.pdf

⁶ <https://www.fincad.com/industries>

⁷ <https://www.fincad.com/partners/partnership-options>

⁸ <https://www.fincad.com/partners/partnership-options/channel-0>