



Digital Wealth Management | Toronto, ON | Founded: 2014 | Employees: 36 | <https://www.nestwealth.com/>
PHONE: +1 (647) 725-2559
BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=308438072>
LINKEDIN: <https://www.linkedin.com/company/nest-wealth/>

COMPANY OVERVIEW

Nest Wealth is a Canadian independent digital wealth management platform (robo-advisor), offering investing services direct to consumer (Nest Wealth), white-labelled business to business solutions (Nest Wealth Pro), direct to advisor solutions (Nest Wealth Plus), and group RRSPs for small- to medium-sized businesses (Nest Wealth at Work).

SENIOR MANAGEMENT

Randy Cass: Founder, CEO, Portfolio Manager (2014-Present). Previously: Host of Market Sense, BNN (2011-2014); Co-Founder, Vice-Chairman, CEO, First Coverage Inc. (2005-2011); Founder, President, Portfolio Manager, Orchard Asset Management Inc. (2003-2015); Associate Portfolio Manager, Ontario Teachers Pension Plan (1999-2003). Education: HBA, Ivey Business School (1993); LL.B., Law, University of Toronto (1996); MBA, Ivey Business School (1998).

Chris Hogg: Head of Nest Wealth Pro (2016-Present). Previously: Director of National Accounts, iShares BlackRock (2013-2016); President, The Crossroads Capital Group (2012-2015); Vice President of Managed Assets, Dundee Wealth Inc. (2007-2011); Vice President of National Accounts, Dynamic Funds (2005-2007). Education: University of Toronto.

Neil Greenbaum: Head of Advisor Solutions (2017-Present). Previously: VP of Sales Management, LOGiQ Asset Management (2013-2017); Senior VP of Sales & Service, Sprott Asset Management (2012-2013); VP Business Development, Dynamic Funds (2008-2012). Education: BA, History, Concordia University (1993).

HISTORY

After selling First Coverage and spending 20 years in the Canadian wealth management industry, Randy Cass saw an opportunity to better serve Canadian investors who had some of the highest fees for financial products in the world and an industry that lacked technology investments. He envisioned a digital, personalized, transparent, and fairly-priced solution that charged investors based on the value of the services being provided rather than a percentage of their total portfolio¹. Nest Wealth launched to retail investors in November 2014 as Canada's first robo-advisor. Increased competitive pressure in that space, particularly Power Financial Corporation's \$10 million investment and strategic partnership with Wealthsimple starting April 2015, pushed Nest to pursue alternative markets resulting in the launch of Nest Wealth Pro in June 2016 and more recently Nest Wealth Plus and Nest Wealth at Work²³.

FUNDING

Nest Wealth raised \$1.5 million in seed funding from Metroland Media in August 2015⁴. In April 2017, National Bank, one of Canada's Big Six Banks, provided a strategic minority investment of \$6 million and a commercial agreement between both companies⁵.

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.nestwealth.com/press/>

Jun 9, 2016: [Nest Wealth Pro Launch, Led by Former Director of National Accounts at iShares BlackRock](#)

Apr 21, 2017: [National Bank and Nest Announce a Strategic Minority Investment and Commercial Agreement](#)

Mar 27, 2018: [Nest Wealth launches platform for small-business group RRSP plans](#)

¹ <https://www.youtube.com/watch?v=SFB08O3ShMU>

² <https://www.theglobeandmail.com/globe-investor/power-financial-adds-to-investment-in-robo-adviser-wealthsimple/article38047474/>

³ Company Website Chat

⁴ https://www.crunchbase.com/funding_round/nest-wealth-seed--b5e3e099#section-overview

⁵ <https://www.nbc.ca/en/about-us/news/news-room/press-releases/2017/20170421-National-Bank-Minority-Investment-Nest-Wealth.html>

BUSINESS HIGHLIGHTS

STRATEGY

Nest Wealth's core value proposition:

- **Low Cost:** Nest Wealth leverages technology and its customer acquisition model to provide the lowest management expense ratio (MER) among incumbents and robo-advisor competitors⁶. Low operating costs result in lower portfolio fees vs. competitors, particularly for portfolios greater than \$150 thousand.
- **Pricing Model:** A subscription pricing model based on amount invested is simple and transparent to investors. Recent Canadian cost disclosure regulations for the industry has compounded this advantage⁷.
- **Convenience:** Investors can manage their portfolios wherever, whenever they want and without the need to schedule an appointment to visit an Advisor.
- **Sophisticated Portfolio:** Investor portfolios are customized to savings goals (e.g., purchasing a home, retirement savings, etc.) and diversified across 7 different asset classes.

Nest's additional products offer a similar value propositions by passing on the cost savings gained by their technology to traditional players in the wealth management industry. For example, Nest Wealth Pro reduces operational costs and risks while increasing human advisory capacity and productivity for traditional wealth management firms.

PRODUCTS / PRICING

- **Nest Wealth:** Nest charges clients a low, flat monthly fee based on account size that is capped at \$80/month no matter how large an account grows. Investors receive custom portfolios, diversified asset allocation, automated rebalancing, and unlimited access to an experienced portfolio manager.
- **Nest Wealth Pro:** Nest offers an out-of-the-box, white-labeled platform solution to wealth management firms that provides simple onboarding, transparent reporting, and integrated back office and compliance functionality. There is a one-time setup fee assessed on the complexity of the configuration and integration. Clients have the choice between a fixed monthly fee or BPS based on assets under administration.
- **Nest Wealth Plus:** A professional, customizable wealth solution for investment advisors to offer customers a low-cost investment option and paperless digital onboarding.
- **Nest Wealth at Work Group RRSPs:** Employers can setup a group RRSP for no cost, while employees are charged an all-in fee of 0.95% of assets per year (40% less than fees charged by traditional mutual funds).

TECHNOLOGY

Nest Wealth uses software algorithms to efficiently and automatically create diversified portfolios across seven asset classes based on the investor's savings goals as well as automatically rebalance portfolios. Nest's software solution automates reporting, compliance, and other back-office processes to reduce operational costs⁸.

DISTRIBUTION / LOGISTICS

Nest Wealth's product offerings are exclusively digital and offered through the web or on their proprietary software.

MARKETING

Nest Wealth primarily focuses on word-of-mouth marketing for their individual investor services and business development teams for their corporate and investment advisor accounts⁹.

COMPETITORS

Robo-advisors are their primary competitors. The entire wealth management industry (with the exception of those targeting high net worth and institutional investors) are secondary competitors. A select list of competitors:

1. **Wealthsimple** – (Toronto, ON) Wealthsimple is a Canadian robo-advisor that offers digital investment services at 0.5% for accounts less than \$100 thousand and 0.4% for larger accounts.
2. **BMO SmartFolio** – (Toronto, ON) BMO's digital investing service that offers remote access to dedicated advisors and advisory fees of 0.4 to 0.7%, significantly lower than its traditional investing services.

⁶ <https://boomerandecho.com/nest-wealth-vs-wealthsimple-tale-two-robo-advisors/>

⁷ <https://www.cbc.ca/news/business/rrsp/robo-advisers-low-cost-1.3398787>

⁸ Company Website

⁹ Company Website/LinkedIn