

# CDPQ and Generation Investment Management make long-term investment in FNZ

- **One of the largest global FinTech transactions in 2018**
- **First investment from CDPQ-Generation, the newly-created and unique sustainable equity partnership**

Montréal, London - October 9, 2018

La Caisse de dépôt et placement du Québec (“CDPQ”) and Generation Investment Management LLP (“Generation”) have today announced the acquisition, subject to regulatory approval, of General Atlantic and H.I.G. Capital’s investment in FNZ, in a deal valuing the company at £1.65 billion. The acquisition, which is one of the world’s largest FinTech transactions this year, represents the first investment by CDPQ-Generation, the unique, sustainable equity partnership announced today by CDPQ and Generation.

FNZ is a global FinTech firm, transforming the way financial institutions serve their wealth management customers. It partners with banks, insurers and asset managers to help consumers better achieve their financial goals.

The business has grown rapidly in recent years, as its institutional customers have used FNZ’s platform to improve transparency, choice and drive down long-term costs for consumers of wealth management products across all segments: from mass-market workplace pensions to mass-affluent and high-net-worth clients.

Today, FNZ is responsible for over £330 billion in assets under administration (AuA) held by around 5 million customers of some of the world’s largest financial institutions, including Standard Life Aberdeen, Santander, Lloyds Bank, Vanguard, Generali, Barclays, Quilter, UOB, Aviva, Zurich, UBS, BNZ, Findex and FNZC. In total, FNZ partners with over 60 financial institutions across the UK, Europe, Australia, New Zealand and South-East Asia.

FNZ was founded in New Zealand in 2003 by Adrian Durham and FNZC, New Zealand’s leading investment bank and wealth manager. To accelerate growth, the company partnered in a management buy-out with H.I.G. Capital in 2009. General Atlantic provided additional investment in 2012. Today, the company has over 1,400 employees in the UK, Czech Republic, Shanghai, Singapore, Australia and New Zealand. Around 400 employees are shareholders, who will continue to own about one third of the equity of the company following this transaction.

FNZ expanded from New Zealand to the UK in 2005, initially partnering with Standard Life Aberdeen and basing its UK operations & technology in Edinburgh. The company was a significant beneficiary of the UK’s global leadership in the consumer regulation of financial advice. The 2013 retail distribution review (RDR) improved fairness, transparency and costs for consumers of financial advice and has been followed around the world, including recently in Europe with the introduction of MiFID2.

Adrian Durham, CEO and founder of FNZ said:

“We started FNZ by asking: how can technology solve the problems faced by consumers of long-term savings products? We saw investors being charged so much that their retirement income was halved by charges alone. They were no better off than a bank deposit, despite taking risk and investing in managed funds for over 30 years. Choice was non-existent and the entire value chain was managed using paper.

Our approach has entirely digitised the value chain, reducing cost and complexity for financial institutions and consumers alike. Our clients have all moved to Platform-as-a-Service (PaaS) combining cloud-based software with transaction and custody services. This frees them to focus purely on their customer proposition, transferring all the technology, transaction & asset servicing to FNZ.

This unique PaaS approach, combined with regulatory change, has reduced total consumer costs in long-term

savings by around 40% over the last decade. It has transformed the accessibility, choice and transparency of a consumer's long-term savings.

We see a unique opportunity to create a global-scale platform for wealth management. This requires a willingness to invest for the long-term. The firm's 400 employee shareholders are firmly committed to this outcome and CDPQ-Generation is the perfect partner, given its unique 8-15 year time horizon and focus on sustainable investments."

Stephane Etroy, Executive Vice-President and Head of Private Equity at CDPQ, said:

"We have researched the best global financial services technology businesses with a focus on companies that have long term, truly global-scale potential. We are extremely excited to partner with FNZ management team to build a business over a time period which is not typical for either private equity or public equity businesses. Through our newly announced partnership with Generation, we are creating a new model of sustainable equity investing which reflects the ethos of both companies, and is ideally suited to the objectives of long term sustainable value creation."

David Blood, Senior Partner and Co-Founder at Generation, said:

"FNZ represents an outstanding first investment for our new partnership. It is an exceptional company with a management team that has demonstrated its ability to innovate and grow in the fast-moving FinTech sector. We believe our long-term approach will suit the company and allow it to continue to invest in its technology and service proposition to the benefit of savers and pensioners, as well its employees, customers and investors".

JP Morgan acted as financial adviser to H.I.G. Capital and General Atlantic.

## **About FNZ**

FNZ is a global FinTech firm, transforming the way financial institutions serve their wealth management customers. It partners with banks, insurers and asset managers to help consumers better achieve their financial goals.

FNZ's technology, transaction and custody services enable their clients to provide best-in-class wealth management solutions to financial advisers, end-investors and the workplace that are efficient, flexible, transparent and scalable, supporting market, demographic and regulatory trends worldwide.

Today, FNZ is responsible for over £330 billion in assets under administration (AuA) held by around 5 million customers of some of the world's largest financial institutions, including Standard Life Aberdeen, Barclays, Lloyds Bank, Vanguard, Generali, Quilter, Santander, Aviva, Zurich, UOB, UBS, Findex and BNZ.

In total, FNZ partners with over 60 financial institutions globally and employs over 1,400 in London, Edinburgh, Bristol, Basingstoke, Sydney, Melbourne, Wellington, Hong Kong, Singapore, Shanghai and Brno.

## **About CDPQ**

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2018, it held CA\$308.3 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit [cdpq.com](http://cdpq.com), follow us on Twitter [@LaCDPQ](https://twitter.com/LaCDPQ) or consult our [Facebook](#) or [LinkedIn](#) pages.

## **About Generation Investment Management**

Generation is a sustainability-focused investment management firm, founded in 2004. It is an independent, private, owner-managed partnership with offices in London and San Francisco. Its approach to active investment management is focused on long-term performance and based on an investment process that fully integrates

sustainability analysis into decision-making. It is dedicated to generating long-term success by investing in sustainable businesses that provide goods and services for a low-carbon, prosperous, equitable, healthy and safe society. As of June 30, 2018, Generation managed appx US\$20 billion of assets on behalf of professional investors globally.

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