Magnetis raises US$11 million in Series B funding led by Redpoint events and launches its own brokerage

Brazil’s first digital wealth management solution has begun to offer a more integrated and complete experience for its clients

São Paulo, Brazil – July 29, 2020 – Digital wealth management solution Magnetis has raised US$11 million in Series B funding led by the venture capital fund Redpoint events, with the participation of Vostok Emerging Finance.

"We’re quite happy with this vote of confidence from our investors. It only reinforces the credibility of our service and business model, which uses technology for goal-based investment management, without creating a conflict of interest," said Luciano Tavares, founder and CEO of Magnetis. "The new funding will be used to launch our own brokerage and to develop new functionalities that improve customer experience and provide a complete and curated journey through goal-based investments.”

Created in 2015, Magnetis has already set up more than 350,000 investment plans and has more than R$430 million under management. The fast-growth fintech's goal is to accelerate its expansion and more than double its assets under management to R$1 billion within the next year.

“Today, the Brazilian market is more sophisticated, with a sharp drop in a dependence on fixed income and a rise in more financial assets, including funds, shares, commodities and fixed-income securities. Defining a personal investment portfolio is a science, not a game or lottery. Magnetis' great differentiator is its ability to set up a personalized investment plan, with first-rate assets and its use of AI to manage all the variables in a sophisticated way. Magnetis is well-positioned for accelerated growth and our team at Redpoint is excited about guiding them during this new phase of our partnership as the fintech sector continues to boom in Brazil and beyond,” said Anderson Thecces, founder and managing partner of Redpoint events.

The fintech sector has continued to dominate Latin American startup investments for five years in a row, according to the most recent data from LAVCA, The Association for Private Capital Investment in Latin America. During 2019, 22 percent of all Latin American startup investments were fintech companies for a total investment pool of more than US$1 billion last year.

Magnetis launches its own brokerage

The announcement of the new Series B funding comes in the same month the fintech launches its own brokerage, which will support the operation in the purchase and sale of financial products. However, acting as a traditional broker is out of the question for Magnetis.

"Our model for digital assets management and wealth creation is much more complete and sophisticated. The vision is to be a financial guide for our clients; making their investment experience simpler. A total integration with the broker makes the client's journey simpler, more consolidated and complete,” said Tavares.

In light of the recent emphasis to avoid conflicts of interest on the part of banks and brokers, Magnetis stands out by adopting a fiduciary remuneration model. "We do not receive commissions on the products we recommend to customers,” said Tavares. “The asset selection process is done in a transparent and automated way, and customers pay us an annual consulting fee based only on the amount they invest, and not according to the recommended investments. The end result is the selection of high quality products that are more aligned with the clients' objectives.”

"We are seeing an acceleration in digital adoption globally and the impact of this is particularly noticeable in wealth management. Within that, we haven’t come across a larger opportunity, in the developing world, than Brazil. We are very excited to continue backing Luciano and the excellent team at Magnetis in this round to address this opportunity. We think that the combination of a very strong local investor, like Redpoint events, and launching its own brokerage gives Magnetis the tools to continue pioneering from the front,” said Alexis Koumoudos, Investment Partner at Vostok Emerging Finance.
The new Magnetis brokerage offering will be gradually made available to new clients and will not replace the existing partnership with Easynvest, which will continue forward as the partner broker for current clients’ accounts.

About Magnetis:

Magnetis is the first digital investment manager founded in Brazil. Since 2015, it has used technology to help people invest in what matters; offering professional management to invest well without wasting time and worry. With algorithms that analyze thousands of investments combined with intelligence and the assistance of a team of specialists, it has already set up more than 350,000 investment plans and has more than R$430 million under management. The company won the Fintech Awards Latam in 2017, in the business model category. It is a partner of the Julius Baer Family Office, a subsidiary of the Swiss group Julius Baer and the largest independent manager of high-income wealth in Brazil. In five years of operation, Magnetis has already received investments from Monashees, Redpoint ventures and Vostok Emerging Finance, in addition to funding from the accelerator 500 Startups and angel investors. Learn more at www.magnetis.com.br.

About Redpoint ventures:

Redpoint ventures is a venture capital firm investing in Latin American startups. The firm partners with visionary founders using technology to create new markets and solve big problems in existing ones. With an experienced team in Brazil and in close partnership with two Silicon Valley firms (e.ventures and Redpoint), the firm helps its founders secure the capital, talent and growth to succeed further, faster. Founded in 2012, Redpoint ventures invests across seed, early and growth stages. It manages over $300 million and has more than 40 companies in its portfolio, including Creditas, Gympass, Minuto Seguros, Olist, Pipefy, Rappi and Resultados Digitais. As part of its mission to support the Brazilian ecosystem, the firm co-founded Cubo (www.cubo.network), the second largest innovation hub in the world, based in Sao Paulo, where it’s headquarter. For more information, please visit www.rpev.com.br.