



## Wealthsimple Is Canada's Robinhood: How Can Investors Benefit?

### Description

Robinhood has disrupted the [discount broker market](#) in a big way. By targeting millennials with a simple, easy-to-use platform and no trading fees, Robinhood is rapidly become the discount broker of choice for many investors. Until recently, Canada's discount broker industry was dominated by the big banks and a few independent brokers. Known as a leading robo advisor, Wealthsimple is quietly emerging as Canada's Robinhood.

How can retail investors take advantage? Let's take a look.

### More than a robo advisor

Wealthsimple got its start as a robo advisor and quickly grew to become the largest in the country. It has since evolved and introduced [Wealthsimple Trade](#) and Wealthsimple Cash.

Trade is the company's online trading platform, which enables investors to buy and sell individual investments. Launched in 2019, it gained considerable attention, as it became the first commission-free trading platform in Canada, and it has no minimum investment requirements. Robinhood's success of disrupting the discount broker market south of the border is well documented. Although the platform is still evolving, it makes for an excellent options for new investors just starting out.

Cash is a no-fee checking account, which offers investors an attractive 2.4% yield on account balances. In time, the company expects to introduce key features, such as the ability to set up a direct deposit for your paycheck. It is aiming to become the first checking account where Canadians can earn interest on their money.

Both of these initiatives are taking direct aim at Canada's banking system.

The company isn't stopping there. It is in the process buying SimpleTax and has a partnership with GrayHawk Investment Strategies to provide services to high-net-worth client. GrayHawk manages about almost a billion in assets for 30 of Canada's richest families. Add crypto to the mix, and Wealthsimple is living up to its status a leading industry disruptor.

## Wealthsimple digital assets

Cryptocurrency is here to stay. Whether you are a bull, bear, or neutral on cryptos, they are quickly becoming mainstream. However, if you are new to the space and want to invest in leading cryptos, there are plenty of hoops to jump through. This is especially true for Canadians.

Although the [ease of access](#) is improving, it is still much easier to open a TFSA and start investing in the stock market than it is to buy cryptos. Part of the issue is, cryptos have yet to make their way to mainstream brokers — until now. This week, Wealthsimple announced that it was launching a cryptocurrency trading platform. It is the first major online discount broker to do, so and it could be a game changer for Canadians.

According to Michael Katche, Wealthsimple CEO, "the biggest challenge that we've seen is in the Canadian market there haven't been very many safe, secure, credible platforms" for trading and holding crypto. As an investor who got caught up in the QuadrigaCX debacle, I can attest to this statement.

## Majority shareholder

The easiest and most direct way to invest in the company is through **Power Corp of Canada**. Before being acquired by Power Corp, **Power Financial** was the leading financial backer of Wealthsimple. It took part in all of the company's equity raises and, as of the last update, owns approximately 67% of the company.

As was the case with Power Financial, the markets are not [fully reflecting](#) Wealthsimple's potential in Power Corp's stock price. Wealthsimple has \$5 billion of assets under management and expects to reach \$1 trillion over the next 15 years. These are lofty goals, but one that is certainly achievable if the company becomes as successful as Robinhood.

Canada's banking and trading industries have been stagnant for too long. **Equitable Group** is having considerable success with EQ Bank and the discount broker space is also ripe for change. Customers are looking for alternatives to the big banks, and through Power Corp, investors can invest in one of the industry's leading disruptors.

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