

SEARCH

FORTUNE

SIGN IN

Subscribe Now

Home News Tech Finance Leadership Well Recommends Fortune 500

NEWSLETTERS · TERM SHEET

# Exclusive: Savvy Wealth closes Series A at \$26.5 million

BY [ALLIE GARFINKLE](#)

August 5, 2024, 11:49 AM UTC



Ritik Malhotra, Savvy Wealth founder and CEO.

SAVVY WEALTH

Ritik Malhotra really could have stopped.

In 2021, Malhotra was at Brex, having sold his previous company to the fintech unicorn. That company, Elph, was acquired by Brex in 2019, and it was Malhotra's second success: He sold his first company Stream to Box in 2014. Malhotra recently told *Fortune*:

"The thing that ate at me was realizing that, while the first two companies were financial successes, great products and integrations, the kid version of me—learning to program, building websites—would still ask this version of me: Where did you apply your craft to build something that's long-lasting, enduring, and resilient?"

So, Malhotra left Brex in 2021 and founded digitally-native financial advisory startup Savvy Wealth—he was only 29. Now 32, Malhotra is on his third startup, and is betting that this one will be his most enduring. Savvy is building a platform aiming to make it easier for financial advisors to run their businesses independently.

The company's just taken a key next step: Savvy has raised \$15.5 million in an additional round led by Canvas Ventures, closing the startup's Series A at \$26.5 million, *Fortune* can exclusively report. Thrive Capital, Brewer Lane Ventures, Index Ventures, The House Fund and Alumni Ventures, all existing investors, also participated in the round. To date, Savvy has raised more than \$33 million.

In a lot of ways, Savvy's value proposition is pretty simple: Help financial advisors adopt tech to improve their communications with clients, and provide a platform with the kinds of tech tools that give them back significant time. The idea is for the experience to be easy for both advisors and clients.

"My grandma's 82, and she doesn't have a problem logging in and sending messages," said Dan Perrino, a Savvy Wealth manager who's advised the company for two years. "In general, I think the main trend in the industry is leveraging technology to improve communication and client relationships, regardless of where those clients are or if you're working remotely."

Savvy's managed to raise money at a [tough time for fintech](#). It's not that no fintech deals are getting done, but the sector certainly is somewhat angst-riddled.

Rebecca Lynn, general partner and cofounder at Canvas Ventures, has a long line of investments that led her to Savvy, including Lending Club and FutureAdvisor. (Lending Club would IPO in 2014, and FutureAdvisor sold to BlackRock in 2015.)

"We've continued to look in this wealth space, and we really felt like there was more to be done," said Lynn. "I think there's so much that can be automated and so much in the consumer experience that can be improved...So many of these tech companies have wanted to take the financial advisor out of the picture. And I always thought that was just wrong. So, what Savvy did, which I loved, was they spent a lot of time understanding advisors' challenges, understanding the consumer, and didn't just jump in saying: 'Hey, I want to go solve the problem.' They really did a lot of research around it."

Indeed, even before starting Savvy, Malhotra interacted with more than 100 financial advisors as he slowly built conviction to start the company. Lynn stresses to me that Savvy is a real, fast-growing business that will exceed \$1 billion in assets under management by the end of the year, representing 5x growth since she first got in touch with them.

That real-world traction and trajectory helped the company raise money in a tense time for fintech. The resilient nature of the financial advisor business itself has also provided a tailwind for the company, said Malhotra.

“We’re actually a little bit agnostic of the market in terms of market swings,” he told *Fortune*. “It might sound counterintuitive, but if the market is downwards it benefits us, because there’s a lot of fear. People flock to wealth management because they want financial advisors’ help. And it helps if the market is going up because, great, you’re naturally benefiting from managing money, and so there’s this weirdly kind of resilient factor...I actually think that was a key part of why we were able to get the attention and interest.”

So, yeah, Malhotra could have stopped—but he’s clearly not ready.

“I said, ‘Look, let’s try one more swing,’” he said. “Let’s build a big business and hopefully one day we take it public. Let’s go at it.”

**Elsewhere...**The Fortune Global 500 was published this morning, and you can check out the entire list [here](#). In the latest edition of the magazine, which includes profiles of Sequoia Capital’s Roelof Botha and Robinhood’s Vlad Tenev, *Fortune* editor-in-chief Alyson Shontell in her [foreword](#) focused on venture capital and AI, writing: “But even Sequoia acknowledges that the gap between what we’re spending on AI and the business it’s generating is the \$600 billion elephant in the room: For all the promise of the technology, where’s the revenue?”

**This month’s cartoon...**Here’s your cartoon for August, by Ian Foley.



See you tomorrow,

**Allie Garfinkle**

**Twitter:** [@agarfinks](#)

**Email:** alexandra.garfinkle@fortune.com

Submit a deal for the Term Sheet newsletter [here](#).

*Nina Ajemian curated the deals section of today's newsletter.*

## VENTURE DEALS

- **Agrovision**, a Los Angeles, Calif.-based superfruit producer and supplier, raised \$100 million in funding from **Aliment Capital**, **Steve Kaplan**, and others.
- **Rhombus**, a Sacramento, Calif.-based physical security platform, raised \$45 million in Series C funding. **Night Dragon** led the round and was joined by **Bluestone Equity Partners** and existing investors **Caden Capital**, **Cota Capital**, and others.
- **Faye**, a Richmond, Va.-based travel insurance company, raised \$31 million in Series B funding. **Portage** led the round and was joined by **Lumir Ventures** and existing investors **F2 Venture Capital**, **Viola Ventures**, and **Munich Re Ventures**.
- **Leaf**, a Los Angeles, Calif.-based farm data API provider, raised \$11.3 million in Series A funding. **Spero Ventures** led the round and was joined by all existing investors.

## PRIVATE EQUITY

- **Mainsail Partners** invested \$44 million in **INNERGY**, a Sauk Rapids, Minn.-based ERP provider for woodworking and other engineer-to-order shops.

## OTHER

- **ABB** has acquired **SEAM Group**, a Beachwood, Ohio-based energized asset management company. Financial terms were not disclosed.
- **Yext** has acquired **Hearsay Systems**, a San Francisco, Calif.-based client engagement platform for financial services. Financial terms were not disclosed.

## FUNDS + FUNDS OF FUNDS

- **XYZ**, a San Francisco-based venture capital firm, raised \$325 million across two funds focused on tech, enterprise, and fintech companies.

## PEOPLE

- **Northzone**, a London, England-based venture capital firm, promoted **Molly Alter** to partner. Previously, Alter was at **Insight Partners** and **Index Ventures**.
- **XYZ**, a San Francisco-based venture capital firm, added **Camille Ricketts** and **Art Clarke** as partners. Previously, Ricketts was at **Notion** and Clarke was at **Apple**.

**This is the web version of Term Sheet, a daily newsletter on the biggest deals and dealmakers in venture capital and private equity. [Sign up](#) for free.**