



Investor Survey Annual Report 2023



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Forward



In 2011, Marc Andreessen famously wrote, *“Software is eating the world”* and in 2021, J.P. Morgan followed that by stating *“Payments are eating the world.”*

Consumer-focused apps like Venmo and PayPal have made frictionless payments an expected experience in our lives. With the adoption of innovation, businesses follow consumers, and private capital transactions are no different.

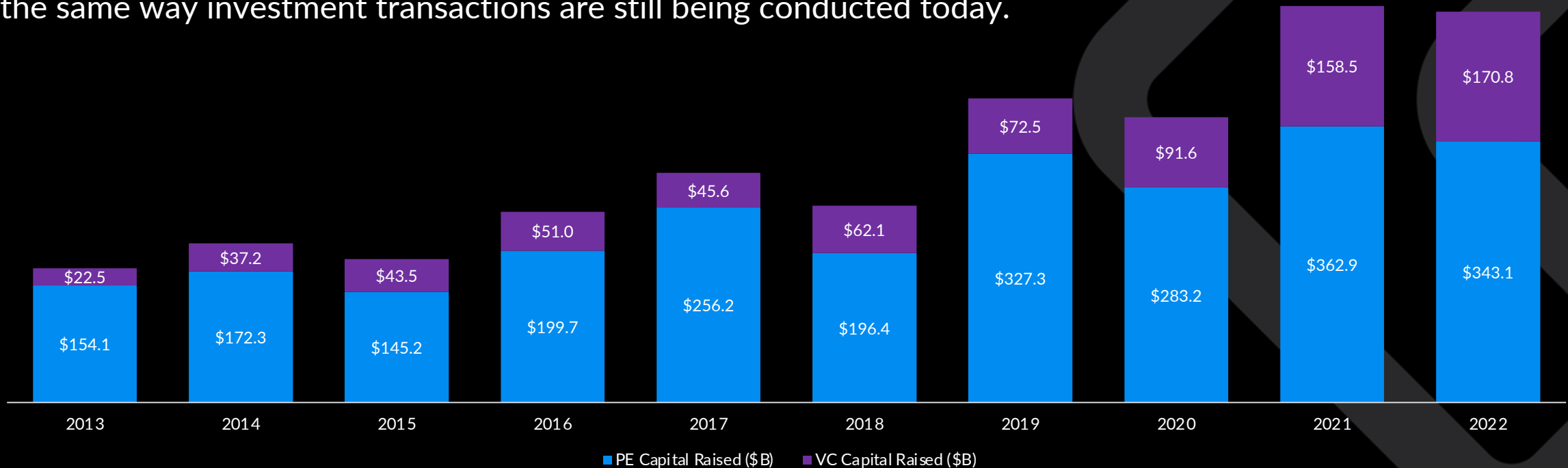
Verivend’s mission is to revolutionize private investment transactions by bringing Venmo-like experiences to Investment Sponsors and their Investors.

Surprisingly, that’s not how the private markets work today, with trillions of dollars transacted using outdated and unsecure processes.

Market Trends

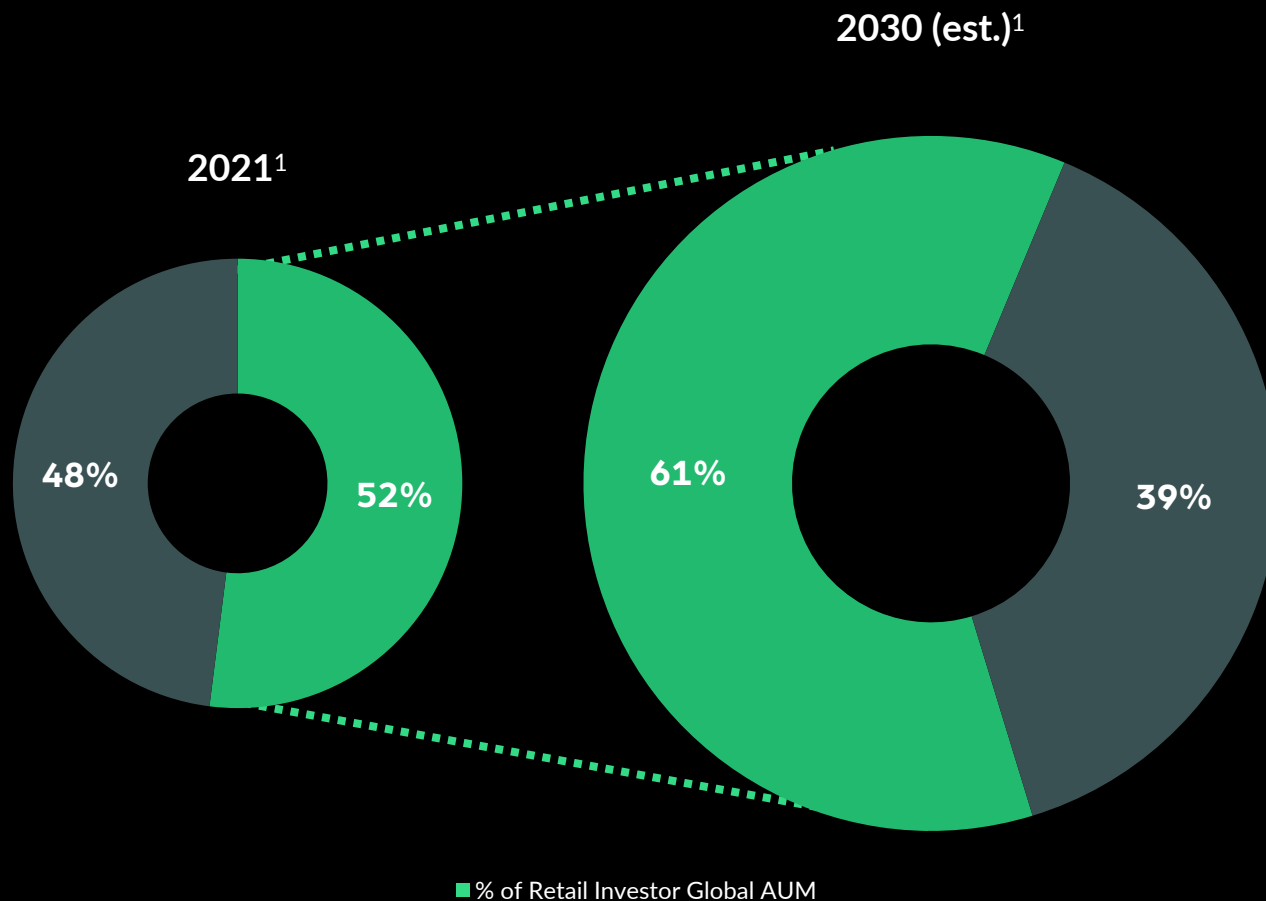
Fundraising activity in the private markets shows no signs of slowing down, with increases of 122% in Private Equity and 659% in Venture Capital over the past ten years (2013 – 2022)¹.

However, the area of the private markets that has not seen any growth, evolution, or modernization is the way by which investment transactions are conducted. There's a reason why wire transfers are called "*wires*." The first wire transfer was sent by Western Union over its telegraph network in 1872, and this is the same way investment transactions are still being conducted today.



¹PitchBook, 2022 Annual US PE Breakdown
¹PitchBook-NVCA, Q1 2023 Venture Monitor

Market Trends



Retail investors accounted for 52% of global assets under management (AUM) in 2021, which is expected to grow to over 61% by 2030.¹

The financial services industry must prioritize less conventional methods to reach the new generation of investors.¹

Retail investors are increasingly looking for opportunities to outperform the public market, including through investment in private companies.²

¹World Economic Forum, October 2022

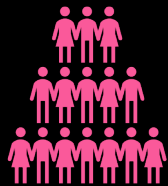
²SEC, November 2019

Market Trends

With the continued growth of both private market fundraising activity and increasing numbers of retail investors, these dynamics will only compound the existing pain, effort and unnecessary security risks that already plague investment transactions for Investment Sponsors and their Investors.



Raising capital manually and sharing wire instructions results in wasted time, delays in closing deals, and increased errors.



Expensive labor and resources are required to manage and manually reconcile incoming capital and outgoing distributions.



Unsecure methods of exchanging sensitive information adds unnecessary risks and fraud to investment transactions.

Market Trends

Over the course of successfully and securely processing many investment transactions for our Customers and their Investors, we continue to develop a deep understanding for the direction of the private markets.

This year's annual survey report includes key insights, such as:



Investment Sponsors need ways to be more efficient, reduce costs, and do more with less, especially in today's challenging market conditions.



Investors expect the same frictionless payment experiences that have become ubiquitous with apps like Venmo and PayPal.



Security is critical for both Investment Sponsors and their Investors; and eliminating fraud, ambiguity, and uncertainty is no longer an option, nor can it be a *"wait and see"* mentality.

Survey Methodology



In Q4 2023, Verivend conducted the second annual survey of investors using our platform through our direct customers – Investment Sponsors who are modernizing their investment transactions with Verivend.

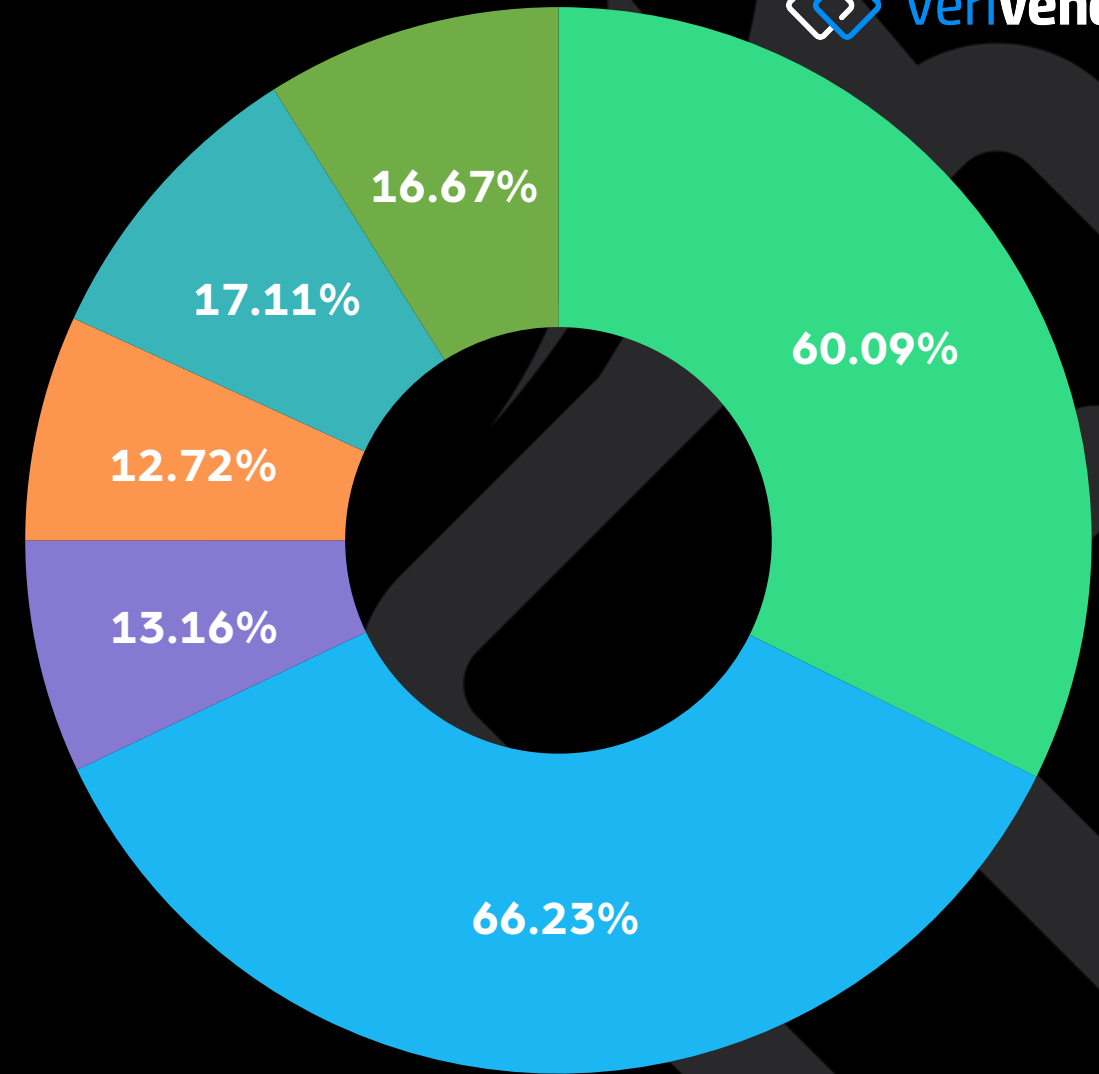
While we continue to see meaningful stories and positive feedback from our direct customers, we strive to maintain a pulse on all experiences with Verivend, including end-user Investors.

Our 2023 annual survey was conducted over four weeks (11/6/23 – 12/1/23) to collect Investor feedback across a wide range of Verivend experiences and asset classes including Private Equity, Venture Capital, Angel Groups, SPVs, Independent Sponsors, Funds, and Real Estate investments.

Survey Results



1. Please select the area(s) of Verivend that you've used (check all that apply)

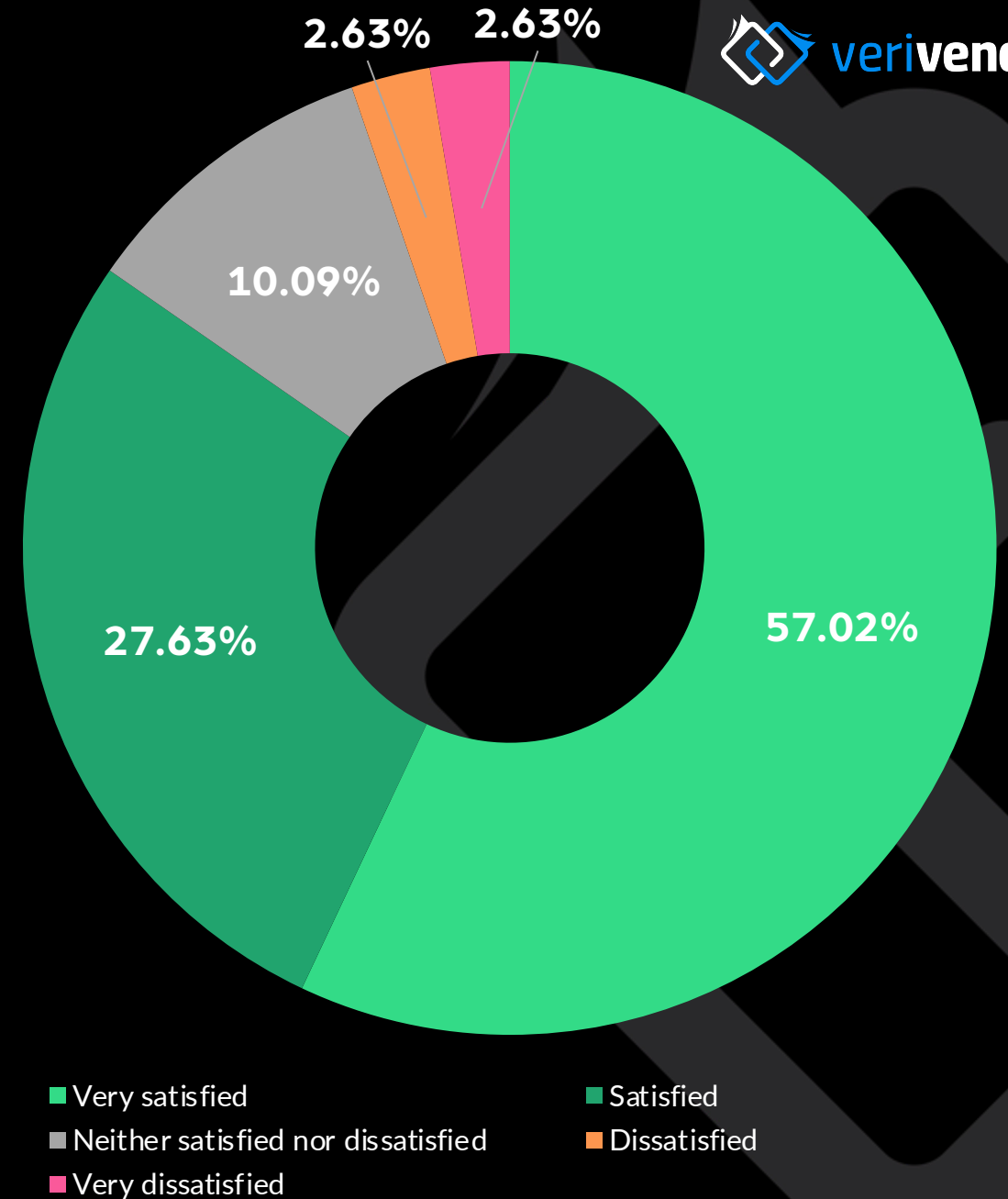


- I made a payment (Capital Call/Invoice)
- I received a payment (VeriPay/Distribution)
- I was invited to view a Data Room
- I was invited to view a Deal
- I completed my Investor Onboarding
- I made an Investment Commitment

Survey Results



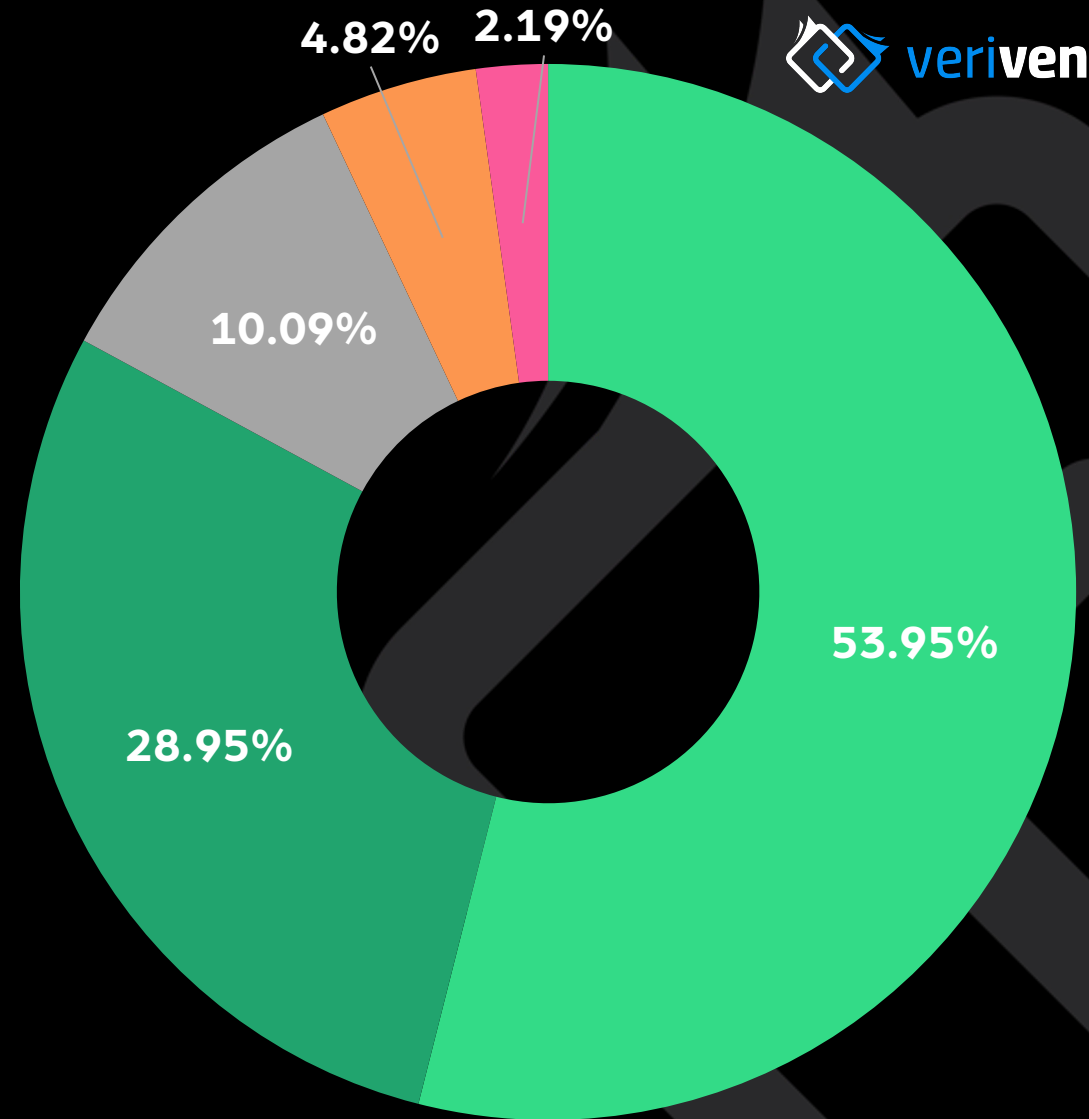
2. How satisfied were you with your overall experience with Verivend?



Survey Results



3. How easy was it to use Verivend?

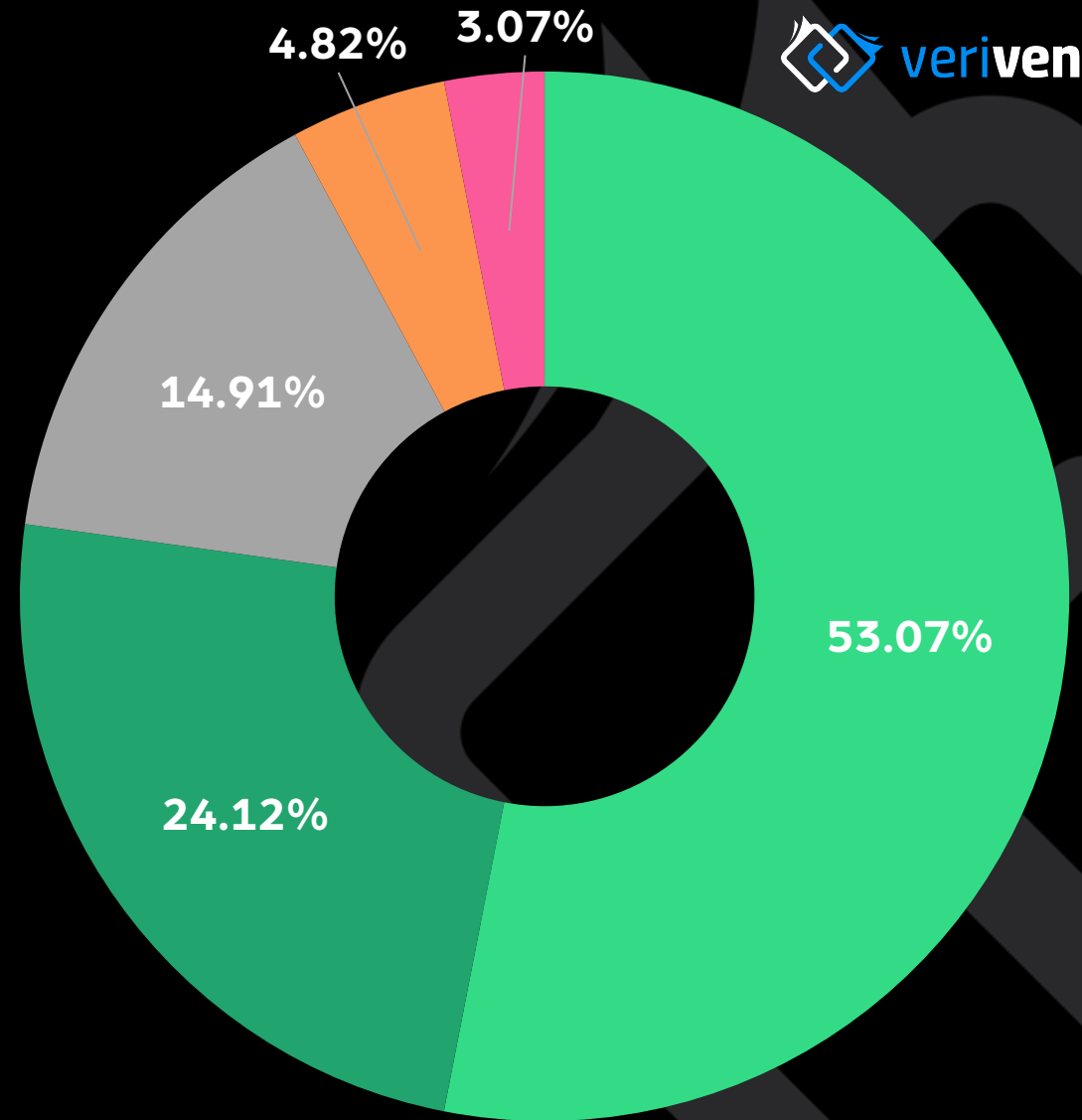


Very easy Easy Neither easy nor difficult Difficult Very difficult

Survey Results



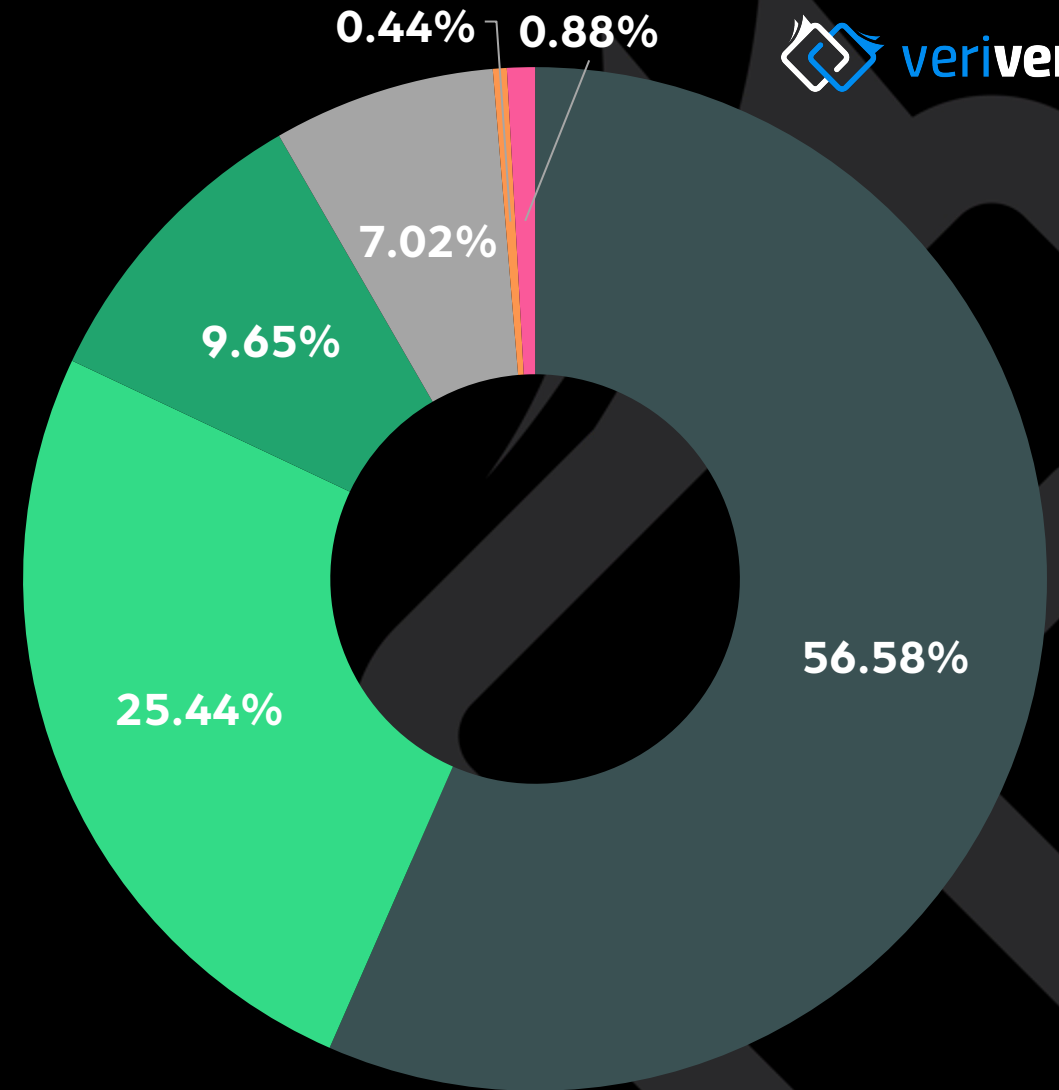
4. How likely are you to recommend Verivend to other investment funds or investors?*



*Net Promoter Score (NPS) question

Survey Results

5. How satisfied were you with Verivend's Customer Support team?

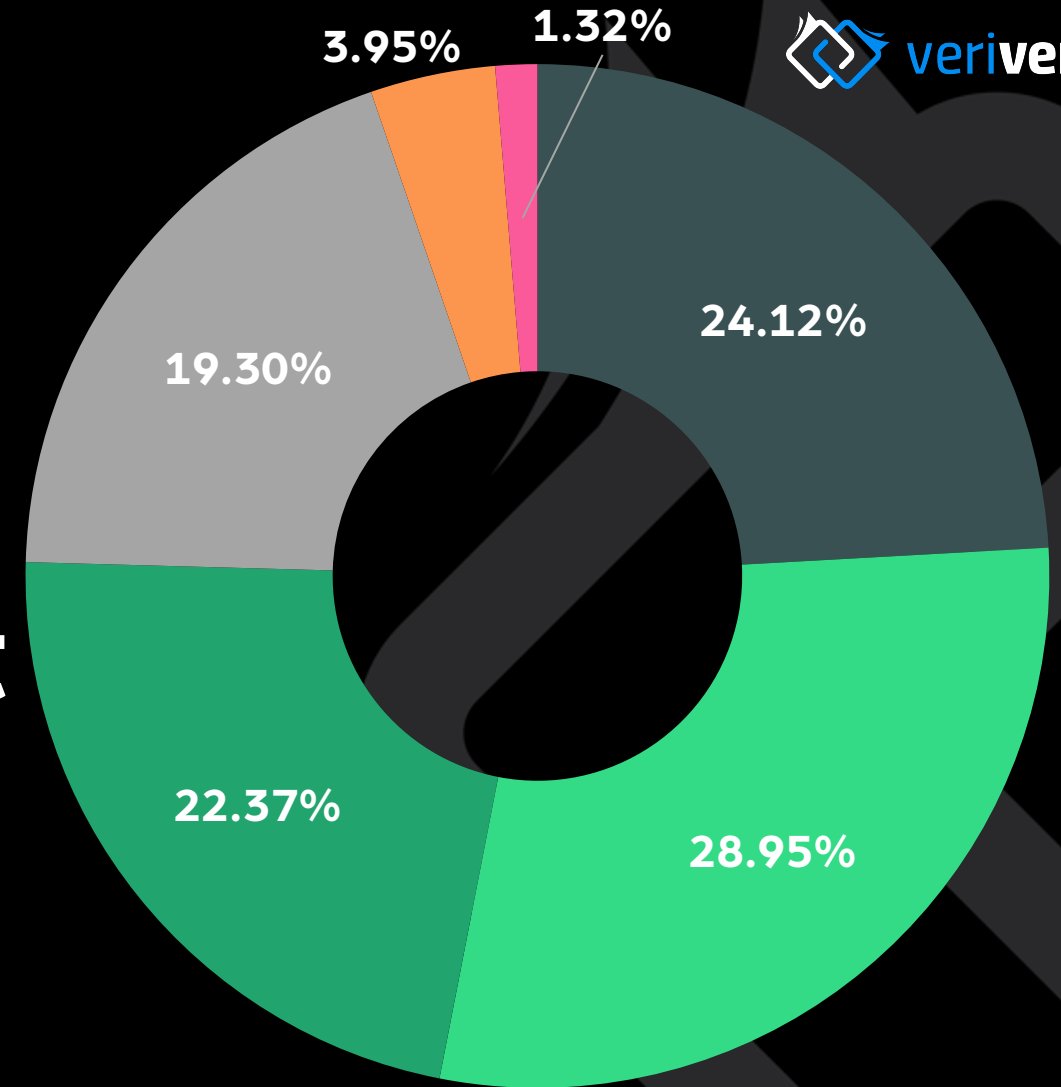


- I didn't contact Customer Support
- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Survey Results



6. How does Verivend compare to other investment platforms?



- I haven't used other investment platforms
- Much better
- Better
- Neither better nor worse
- Worse
- Much worse

Investor Feedback



"So far, everything runs so smoothly, I don't think about it. And that's a good thing."

"I appreciate the confirmation of the capital call funding."

"Keep up the good work. Your support staffs were excellent at helping me in initial setup. Thank you!"

"For what I use for, I am extremely happy."

"The Verivend team has put together a tremendous customer experience, including issue prompt question/resolution responses. It is really much better than anything else out there for funds and investors."

"Need more firms I invest with to use Verivend - need more sponsors to hear about Verivend!"

"Excellent customer service."

"Great job; thanks."

"Well done!"

"Keep up the good work."

"Great trajectory. Keep up the good work."

"Seamless."

"Great platform that works seamlessly."

Key Insights



85% of investors were satisfied or very satisfied with their overall experience with Verivend.

83% of investors found their Verivend experience easy or very easy.

77% of investors were likely or very likely to recommend Verivend to their peers.

57% of investors didn't need any additional support and for those that did,

92% were satisfied or very satisfied with Verivend's Customer Support team.

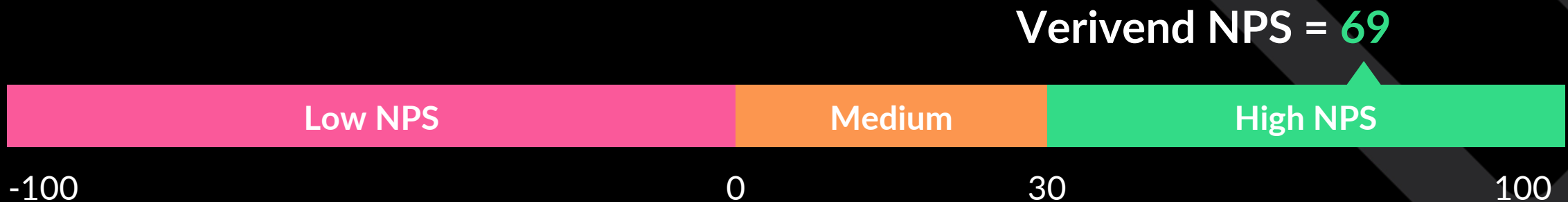
75% of investors said Verivend was better or much better than other investment platforms.

Net Promoter Score (NPS)

Net Promoter Score (NPS®) is a common metric used in customer experience programs. An NPS score measures customer loyalty by looking at their likelihood of recommending a given business.

A company's NPS score is measured with a single survey question and reported with a number ranging from -100 to +100, where a higher score is desirable. NPS is often held as the gold standard customer experience metric. First developed in 2003 by Bain and Company, it's now used by millions of businesses to measure and track how they're perceived by their customers.

Based on the results of this year's annual survey question (*4. How likely are you to recommend Verivend to other investment funds or investors?*), Verivend is proud to hold an NPS of 69, well into the High category on the overall NPS scale.



Conclusion



Friction has long overstayed its welcome in private market investment transactions and that is why Verivend exists – to eliminate the pain, effort, and security risks for both Investment Sponsors and their Investors.

We continue to challenge the status quo and the legacy ways money has moved for the last several hundred years. Verivend's mission remains focused on transforming private capital transactions to reflect the same frictionless and seamless experience that individuals have come to expect from their personal lives.

If you have questions or comments about this survey, or if you would like to learn more about how **Verivend is The Platform Powering Private Capital**, please contact us as info@verivend.com or schedule a demo at verivend.com/demo.