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AVP Investment thesis Finbourne

AVP and Highland Europe recently co-led a Series B investment in Finbourne, a cloud native, investment and data management platform. The software market for large asset managers is dominated by large, legacy incumbents and it is becoming increasingly critical for financial institutions to upgrade their legacy systems to remain competitive in a dynamic and ever evolving environment.

Financial markets are often assumed to be some of our most technologically advanced but we found the reality to be quite different as we dug deeper. Over the last few decades asset management has significantly increased in complexity with the proliferation of asset classes, globalization and increased reporting requirements for reasons of transparency or regulation. In an effort to keep pace asset managers have stitched together disparate technology solutions into a patchwork quilt sewn with COBOL and spreadsheets.

As technology teams are asked to stretch this to accommodate new requirements such as ESG reporting or to provide data to train AI models things are reaching a breaking point for many of the largest asset managers. Painful, manual data extractions and reconciliations between systems that were never designed to talk to another have also been driving up costs. At the same time innovation has been restrained by the high complexity of solutions and the business risk if a systems change was to impact on the end customers.

Finbourne solves these problems with an end-to-end platform built on a unified data model across asset classes. The Operational Data Store brings all assets under a single pane of glanss and they provide a suite of models, analytics and products built for financial institutions. Building upon their success at the infrastructure layer they now offer best in class portfolio management systems, an investment book of record (IBOR) and an accounting book of record (ABOR). Core to the success of the solution have been their bidirectional data pipelines to other software and data repositories at their clients. To pursue the earlier metaphor, Finbourne allows clients to replace one patch at a time without ever needing to leave a hole and giving a migration path away from the legacy systems and towards a single source of the truth across assets.

This great technology could only come from a great team, here led by Tom McHugh who co-founded the company in 2016. Having worn both the CEO and the CTO hats Tom has a rare blend of commercial and technical skills and under his direction we believe Finbourne will become the market leader in the space. We're excited to partner with Finbourne on their journey to setting the new standard in asset management technology.

We invest in great entrepreneurs.

We support outstanding companies.

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