

M&G and CMC Markets bet the new investor boom will keep going

M&G is taking a stake in phone wealth app [Moneyfarm](#), the latest sign that the lockdown investor boom is going digital.

And [CMC Markets](#), the spread betting house set up by Lord [Peter Cruddas](#), says it is on track to launch its own UK share trading platform.

Both businesses believe the new breed of investor who came to the stock market during lockdown is likely to carry on buying shares even once working from home is over.

The [M&G](#) investment values Moneyfarm at up to £350 million. M&G says it is targeting the “next generation” of retail customers.

Moneyfarm today raised funding of £44 million, a deal led by M&G which gets a minority stake as part of the deal. It has raised £139 million since it was founded in 2012.

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It has more than 80,000 clients and £2.2 billion assets under management, a minnow compared to M&G, which oversees £370 billion.

CMC has had a turbulent pandemic.

It boomed at first but issued a profit warning last September after a sharp slowdown in trading activity. Since then it has been working on splitting the business into two – a spread betting arm and a non-leveraged share trade business.

CMC already has a strong share trading arm in Australia. Cruddas said: “I am pleased with the ongoing trends we’re seeing in client money, and physical share assets in Australia. In addition, the team is on track to launch our new UK investment platform in the first half of the calendar year.”

CMC says profits for the year will be between £250 million and £280 million.