

Deconstruction of advice: Perspective of an entrepreneur

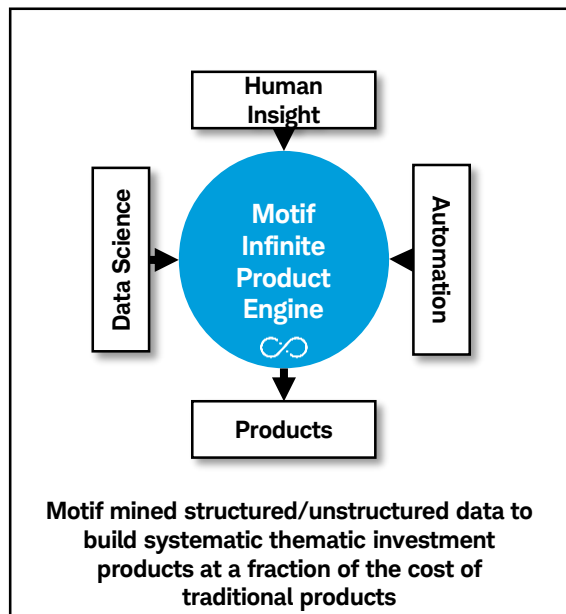
Hardeep Walia
SEC AMAC Panel
July 16, 2020

charles
SCHWAB

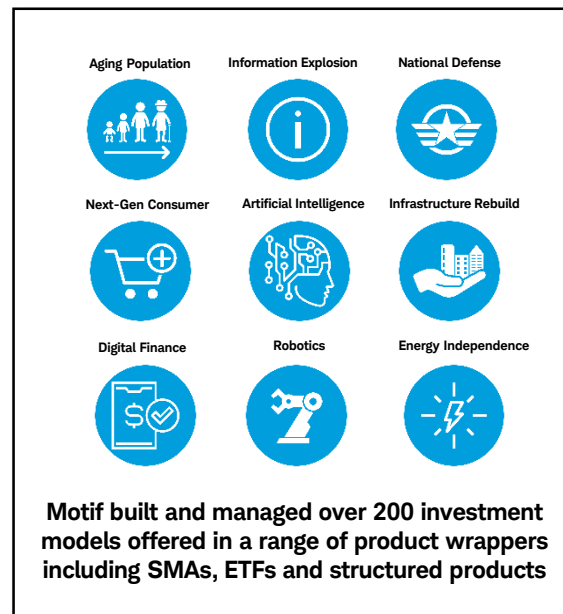
Own your tomorrow™

Motif was an innovative, data-driven investment platform that was acquired by Schwab in June 2020

Innovative investment methodology



Automated investment process

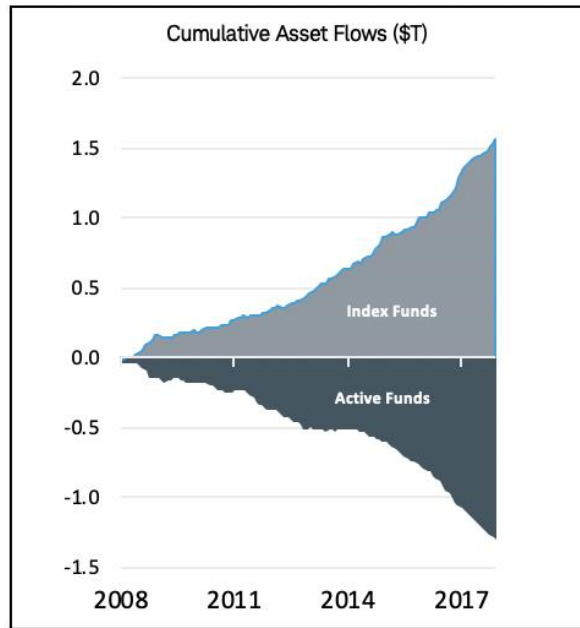


Award-winning investment platform

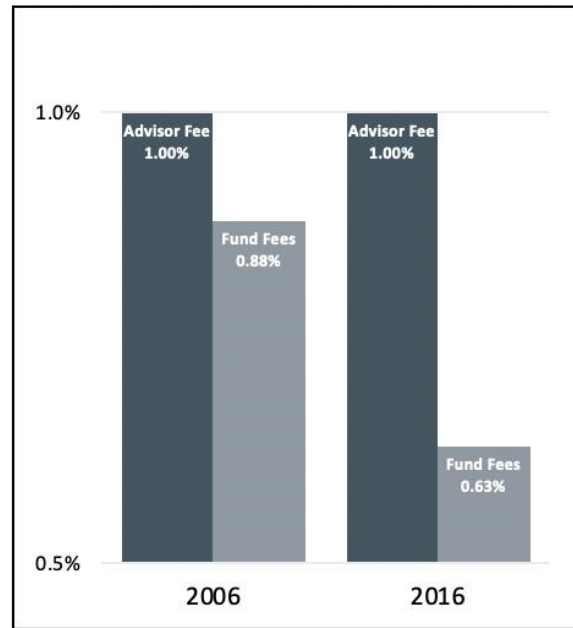


Our industry is undergoing disruptive shifts across the value chain

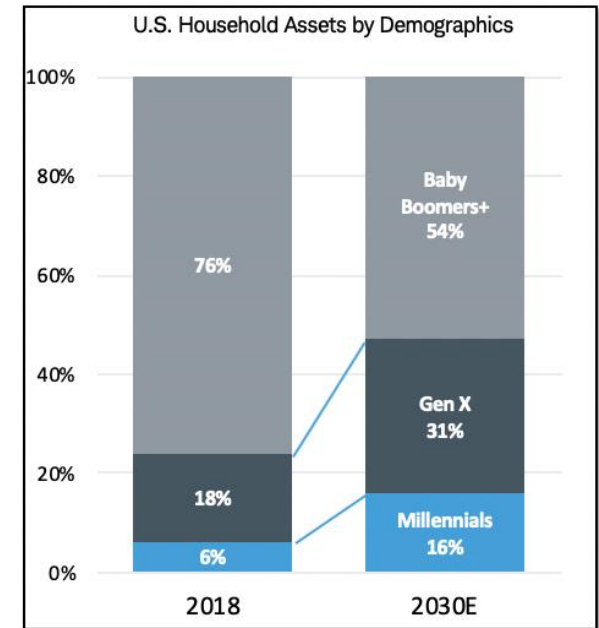
Manufacturing is drifting to passive



Value is migrating to distribution

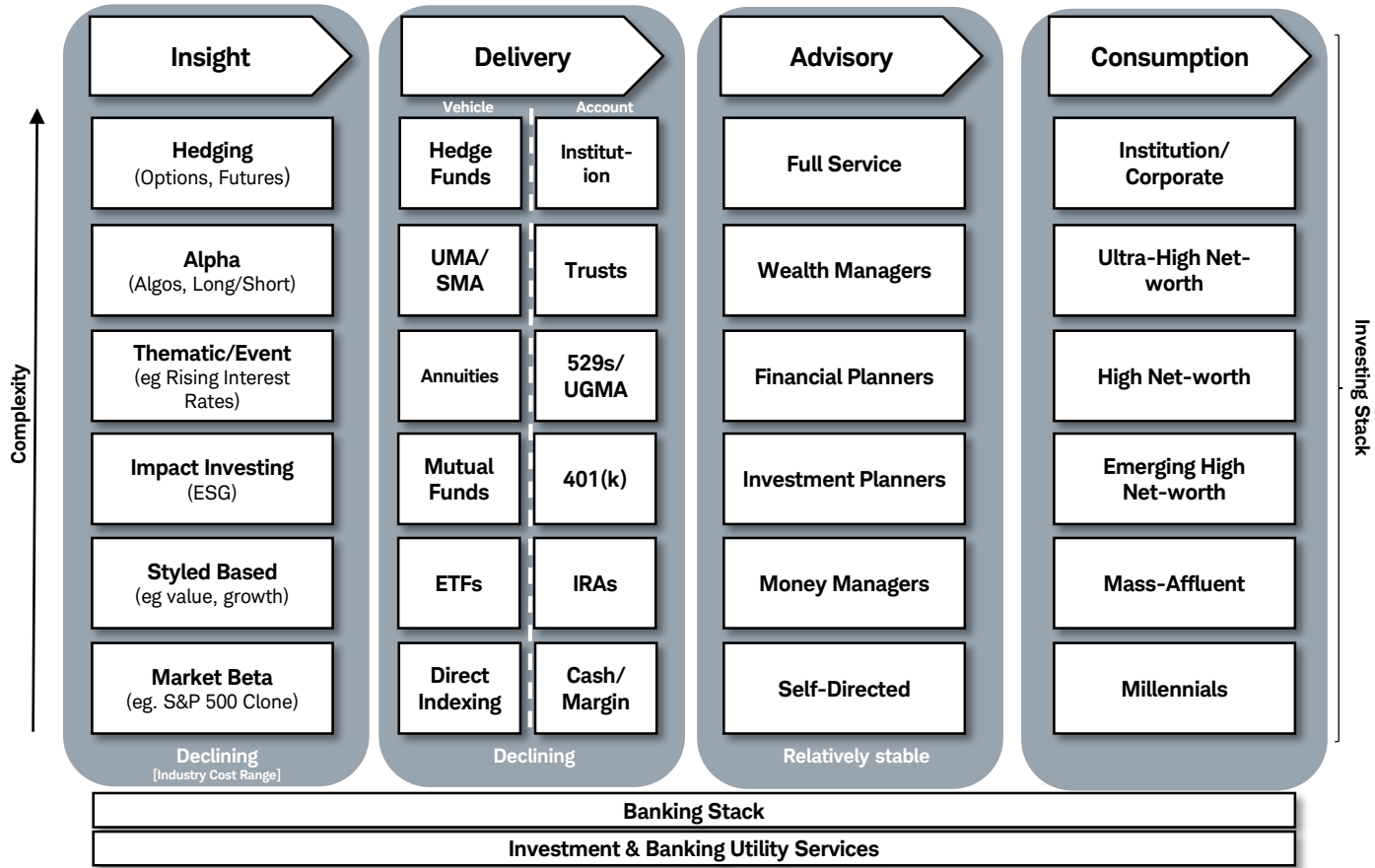


Tectonic demographic shifts in consumption



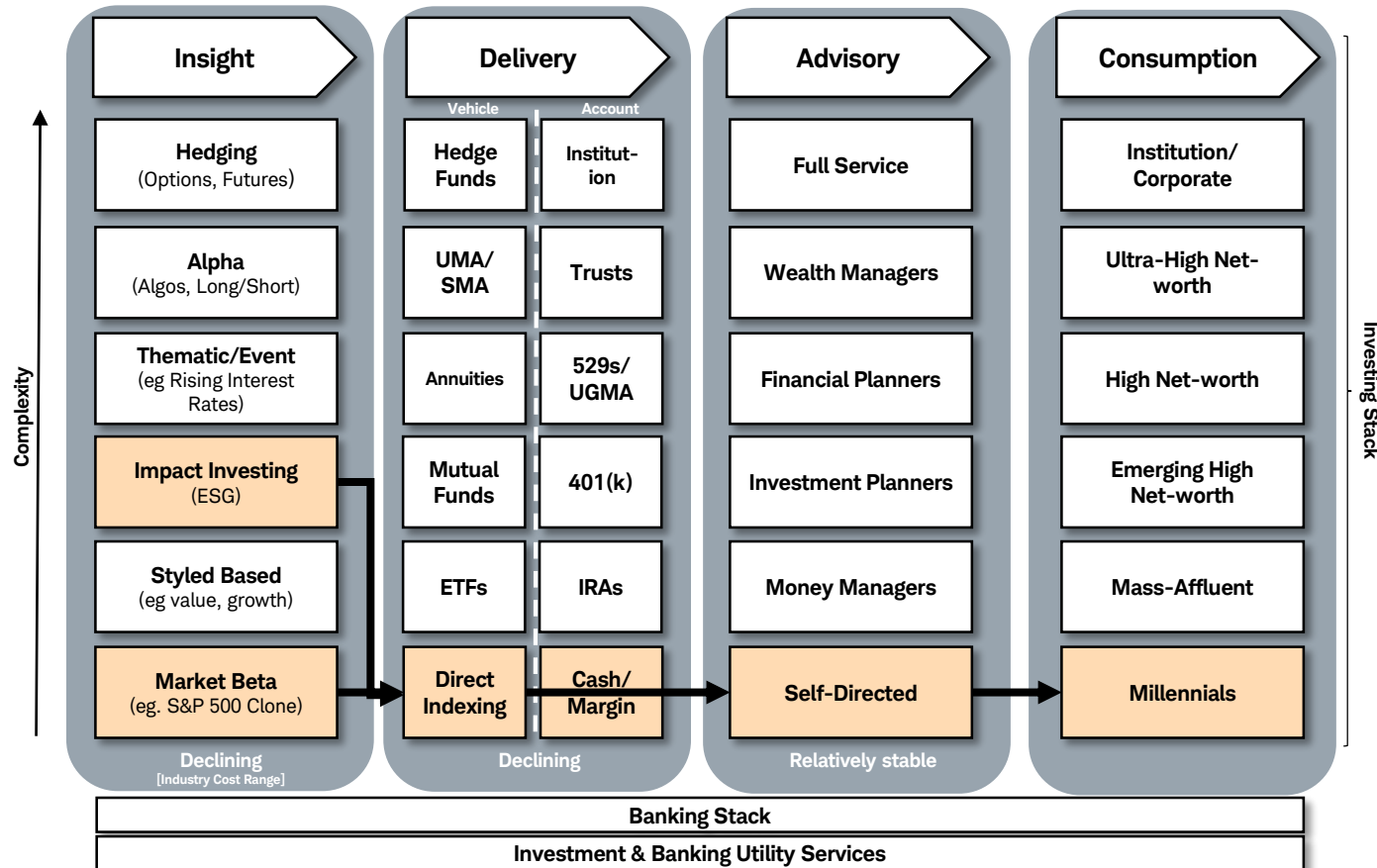
Sources: ICI, Deloitte, Motif

Technology will allow for the eventual deconstruction of traditional investing value chain—especially advice



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E.G.: New ESG “robo” Motif product example



Questions that need to be addressed by regulators and industry

- Do we need to evolve regulation from a product-centric to an advisory-centric approach?
- Can we adopt a principle based model of regulation across value chain?
- Is there a need to re-define what is and specifically what isn't advice?
- Do we need regulatory equity between human-led and algo-led advice?
- What are the benefits (e.g. personalization) to investors in implementing more regulatory consistency across the industry?