Deconstruction of advice: Perspective of an entrepreneur

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

Innovative investment methodology:
- Motif mined structured/unstructured data to build systematic thematic investment products at a fraction of the cost of traditional products.

Automated investment process:
- Motif built and managed over 200 investment models offered in a range of product wrappers including SMAs, ETFs and structured products.

Award-winning investment platform:
- Motif delivered these products directly through our award-winning platform or indirectly through distribution agreements with partners.
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?