

DOW JONES, A NEWS CORP COMPANY

DJIA ▲ 24290.05 0.24%

S&amp;P 500 ▼ 2639.44 -0.11%

Nasdaq ▼ 6775.37 -1.05%

U.S. 10 Yr ▼ -3/32 Yield 2.382%

Crude Oil ▲ 57.48 0.02%

# THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://www.wsj.com/articles/morgan-stanley-launches-robo-advice-service-1512396001>

## WEALTH MANAGEMENT

# Morgan Stanley Launches 'Robo' Advice Service

Brokerage firm says its Access Investing 'robo' service will charge 0.35% of assets annually



Morgan Stanley's advisers, like those at rivals, will have the ability to offer discounts. PHOTO: ARND WIEGMANN/REUTERS

By Lisa Beilfuss

Dec. 4, 2017 9:00 a.m. ET

Morgan Stanley has launched an automated-advisory service, the latest wealth-management firm to expand digital offerings in a bid for younger investors' assets.

The New York brokerage firm said its Access Investing "robo" service is available starting Monday (Dec. 4) to clients with at least \$5,000 to invest. The service will charge 0.35% of assets annually. Fees exclude those levied by fund managers.

By comparison, Bank of America Corp.'s Merrill Lynch charges 0.45% for a similar offering open to clients with at least \$5,000. The robo service run by Wells Fargo & Co.'s wealth-management arm charges 0.50% and has a \$10,000 account minimum. Robo pioneer Betterment LLC has no account minimum and charges 0.25% annually for its basic offering.

Morgan Stanley's advisers, like those at rivals, will have the ability to offer discounts. Brokers will receive referral bonuses for bringing clients onto the robo.

Executives said Morgan Stanley's robo launch is meant to attract a new generation of clients, many of them the children of existing customers positioned to inherit significant wealth. "Access Investing is an opportunity for financial advisers to grow their book of business by making connections early," said Naureen Hassan, the firm's chief digital officer.

The industry has long struggled with retaining accounts that move from parents to children who grew up in the digital age. Researcher Cerulli Associates has estimated the robo advice industry had more than \$80 billion in assets by the end of 2016 and will have \$385 billion in the next five years, eating into the multitrillion-dollar asset base of traditional brokerage firms.

Similar to others' robos, Morgan Stanley's automated-investing service relies on an algorithm to gauge an investor's risk appetite and then recommend an appropriate portfolio of funds that it automatically rebalances.

Morgan Stanley's robo will offer access to call centers in Florida and Utah, staffed by representatives who will offer basic assistance. The representatives aren't financial advisers.

In addition to offering a selection of passive mutual funds and exchange-traded funds that aim to track market indexes, Morgan Stanley's menu includes actively managed products that seek to beat the market. The service also offers "thematic portfolio" options, with themes including sustainability and gender diversity. Executives say such options are meant to appeal to younger investors who show particular interest in socially responsible investing.

Morgan Stanley said the Access Investing robo service is a core piece of its developing digital strategy. The robo's capabilities, which include goals-based planning tools, will be available to all clients, executives said.

**Write to** Lisa Beilfuss at [lisa.beilfuss@wsj.com](mailto:lisa.beilfuss@wsj.com)

Copyright &copy;2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.