
A new robo-advice solution from TD Ameritrade

By Editorial Staff Thu, Nov 3, 2016

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TD Ameritrade has soft-launched a new digital advice offering called Essential Portfolios, which it calls “an automated, low-cost advisory service for digital-first investors.” The official national launch will occur in early 2017, said a TD Ameritrade release.

The service costs 30 basis points (0.3%) per year. Each of the five model portfolios consists of non-proprietary ETFs and cash with weighted average expense ratios of 0.06% to 0.08%.

Other features and upgrades, including tax loss harvesting, will be added in coming months, the TD Ameritrade release said. There’s a \$5,000 investment minimum.

Investors can assess their own risk tolerance levels, and set long-term financial goals. The algorithmic platform matches them with portfolios based on their goals, the release said. Morningstar Investment Management LLC advised on portfolio construction.

The launch follows TD Ameritrade’s June re-release of an enhanced version of Amerivest Managed Portfolios, which offers investors a “self-guided digital advice experience,” paired with “as much or as little human interaction as investors want.”

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