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## Charles Schwab offers hybrid-robo with \$25k minimum

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By Editorial Staff    Thu, Dec 15, 2016

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Charles Schwab has launched Schwab Intelligent Advisory, a hybrid, low-cost financial and investment planning advisory service that combines live licensed Certified Financial Planners (CFP) and algorithm-driven technology. The service is expected to launch in the first half of 2017.

The service, according to a Schwab news release this week, is designed for “an emerging or mass affluent investor focused on keeping costs low who doesn’t have a highly complex financial situation.” There will be a \$25,000 investment minimum.

New clients will complete a self-guided online planning tool focused on their specific financial situation and goals including both Schwab and non-Schwab accounts, followed by a one-to-one conversation with a credentialed Planning Consultant.

Clients will have access via phone or videoconference to a team of CFPs who can answer questions and make recommendations about financial goals and saving targets, retirement planning, college savings, long-term care planning, and budgeting. Check-ins with CFPs will typically occur annually, but clients also have access to live 24/7 service support via phone, chat, and email.

Most clients will be invested in a fully automated, diversified portfolio using Schwab Intelligent Portfolios comprised of exchange-traded funds (ETFs) from Schwab, Vanguard, iShares and PowerShares.

Investors will have access to up to 20 globally diversified asset classes in each portfolio including equities, fixed income, real estate, commodities, and an FDIC-insured cash allocation to manage volatility and risk. Clients can activate automated tax-loss harvesting for each account starting at \$50,000.

Advisory fees under Schwab Intelligent Advisory are 0.28% of a client’s managed assets with a \$900 quarterly fee maximum. The service will charge no trading commissions or account service fees. The weighted average operating expense ratios for the portfolios currently range from 0.08% for a conservative portfolio, 0.19% for a moderate portfolio, and

0.24% for an aggressive portfolio.

Every aspect of the service is designed to be paperless, to allow desktop and mobile access, and to allow automated account funding on a recurring basis, as well as fund accounts using mobile check deposit.

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