
T. Rowe Price launches its version of a hybrid robo-advisory solution

By Editorial Staff *Wed, Mar 22, 2017*

IRA investors can get a model portfolio of actively managed T. Rowe Price funds, digital services and access to a live phone rep. All costs are built into the expense ratios of the funds.

Under T. Rowe Price's new "ActivePlus Portfolios" program, IRA investors can receive the firm's asset allocation expertise, rebalancing, and advice with no additional advisory fee. Investors pay only the expense ratio of the underlying funds in the portfolio.

The Baltimore-based no-load fund giant and 401(k) provider announced the program this week, calling it a "digital discretionary investment and advisor solution designed for investors who want access to actively managed funds." BNY Mellon's Pershing will serve as the broker-dealer for the accounts.

The ActivePlus Portfolios program is available at the initial launch for individual retirement accounts (IRAs). IRA Investors with a minimum of \$50,000 will receive a model portfolio recommendation after answering a short questionnaire to assess risk tolerance, time horizon, and investment goals. Each model portfolio will consist of eight to 13 of T. Rowe Price's actively managed mutual funds.

Features of the new program include:

- No advisory fees. While investors will pay the expense ratios of the funds in their model portfolio, they will not be charged an additional advisory fee or commission.
- T. Rowe Price's asset allocation expertise and model portfolios.
- Aside from digital services, investors will also have phone access to licensed client managers solely dedicated to ActivePlus Portfolios clients.
- Investors will have full transparency into their mutual fund holdings and trading activity within their accounts, along with access to account values, performance information and details on cash flow and market movement.