
UBS to partner with SigFig, a robo-advisor

By Editorial Staff Thu, May 19, 2016

The technology will allow the advisers to spend more time talking to clients and less time constructing investment portfolios and other activities that can be automated, said Tom Naratil, the president of UBS Americas. (SigFig logo at left.)

In the latest partnership between a major asset manager or wirehouse and a robo-advisor, UBS Wealth Management Americas announced this week that it has formed a strategic alliance with SigFig, an independent San Francisco-based digital advisory service.

UBS is taking an undisclosed equity stake in SigFig and will develop investing technology alongside it, according to news reports.

UBS said in a release that it will use SigFig's technology to automate some of the middle-office chores of its 7,000 wealth managers ("B2B" robo) rather than using SigFig to create a digital advisory channel with individual clients ("B2C" robo), as direct providers like Vanguard and Schwab have done. B2C works either by itself or with the support of a financial advisor via phone or Skype.

The SigFig "digital platform will improve the ability of UBS advisers to efficiently provide advice on assets held at UBS and other institutions, a critical factor in providing truly personalized financial advice across the complete range of client needs," UBS said.

According to the release, UBS and SigFig will create a joint Advisor Technology Research and Innovation Lab, where "UBS financial advisers, product experts and technologists" can work with SigFig's experts on new wealth management tools.

In the first quarter, UBS's average financial adviser had \$147 million of invested assets and \$1.06 million in revenue, according to the New York Times. What follows appeared in the Times this week:

The technology will allow the advisers to spend more time talking to clients and less time constructing investment portfolios and other activities that lend themselves to automation, said Tom Naratil, the president of UBS Americas. "It'll make them more effective in helping clients to make better choices," he said.

But unlike some other brokerage firms, which are developing products for retail customers, UBS will not take a robo-adviser service directly to its wealthy customers, Mr. Naratil said

in an interview. “We’ll give them some tools, but we’re not going down the self-serve route,” he said.

Last month, SigFig announced its first agreement with a bank, the \$3.2 billion Cambridge Savings Bank outside Boston.

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