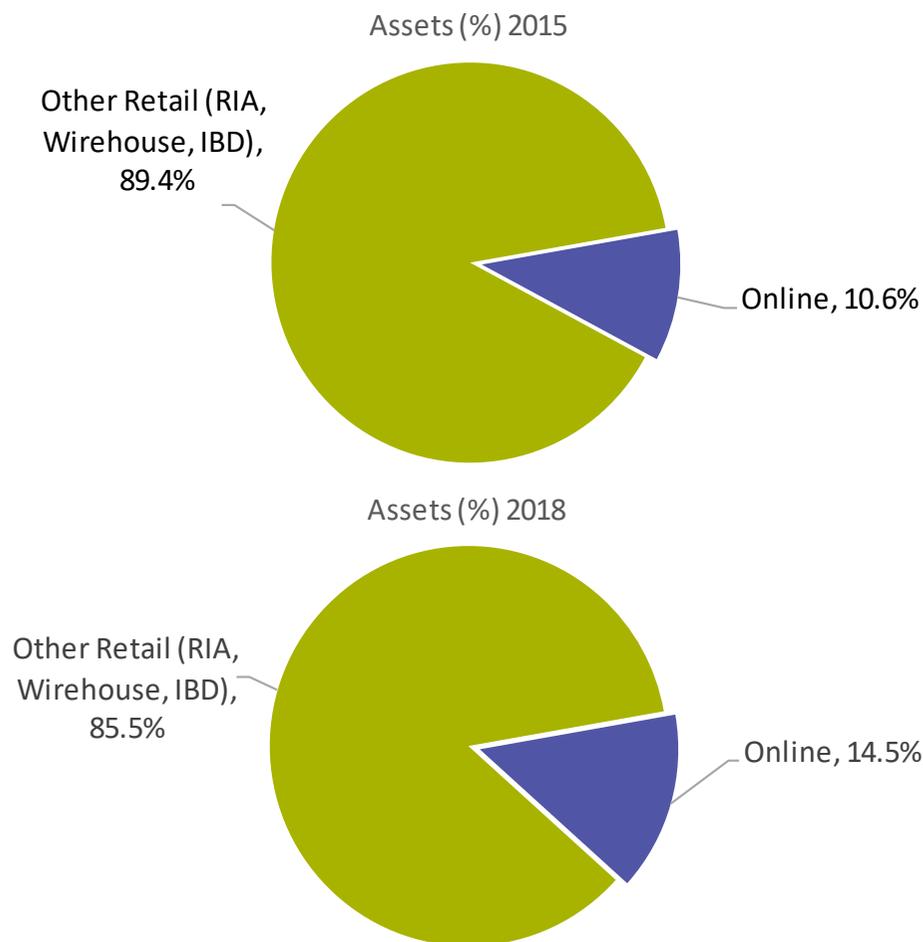


INSIGHT OF THE WEEK

Scalable advice delivery models feed online gains

2015 vs. 2018 Assets for Online Channel vs All Other Retail Channels



Broadridge Data and Analytics

Broadridge Insights

Online asset share has grown steadily to 14% over last three years

Broadridge defines the online channel as distributors with a primary legacy of serving retail investors via discount brokerage platforms, a business that was born from the SEC's 1975 decision to deregulate commissions. The main online players today are the retail business lines for Fidelity/National Financial, Vanguard, Schwab, E*TRADE and Scottrade. Included within the online channels are digital platforms for Vanguard (Personal Advisor) and Schwab (Intelligent Portfolios).

The online channel has experienced solid growth vs. other retail channels (RIA, Wirehouse, IBD) with asset share rising steadily since 2015 from 10.6% (\$627bn) to 14.5% (\$1.2tn) with positive annual cash flow over the entire period (only channel to do so). Broadridge expects these trends to continue powered by the demand for passive investments and scalable advice targeting Boomers, Gen-Xers and Millennials.

Online firms appeal to a broad swath of investors from mass market to HNW, particularly fee-sensitive and self-directed individuals. Purchasing methods include (from oldest to newest): direct-to-retail brokerage activity, branch-based sales to direct investors via 35,000+ FAs and direct-to-retail digital advice/robo activity.

Data drawn from our Market Analytics product

Market Analytics provides unparalleled insight into the U.S. market

- Fund and ETF data for all third-party distribution channels
- Advanced visualization and analytics capabilities
- Pre-built dashboards empower sales teams with tools to drive decisions
- Customizable with your own dashboards, visualizations, and analytics
- Ability to integrate CRM activity data for display and analysis

For more information about our data or insights on this topic

Please contact Frank.Polefrone@broadridge.com.

Visit the Distribution Insights Hub at

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