NEWS Technology

Motif Investing closes

The automated investment platform, which raised roughly $126 million in funding since launching in 2012, is just the latest digital wealth manager to shut down

April 20, 2020 By Sean Allocca

Motif Investing, a digital brokerage ***that provided thematic investing and automated advice,*** has closed its doors for good.

The robo-adviser sent a letter to clients from CEO and founder Hardeep Walia that was subsequently shared via social media.

“At this time, we’ve made the decision to cease operations and transfer your accounts to Folio Investing,” Walia said in the letter. “We’ve come a long way since we started this journey together and there is a lot for us to be proud of.”

Motif did not return a request for comment.

Ryan Patrick Kirlin @RyanPKirlin · Apr 17, 2020
Replying to @kipmccauley @MotifInvesting
Wow. Not covered anywhere yet.

Ton of press over the years. Never caught on (obviously).

Hylland Capital
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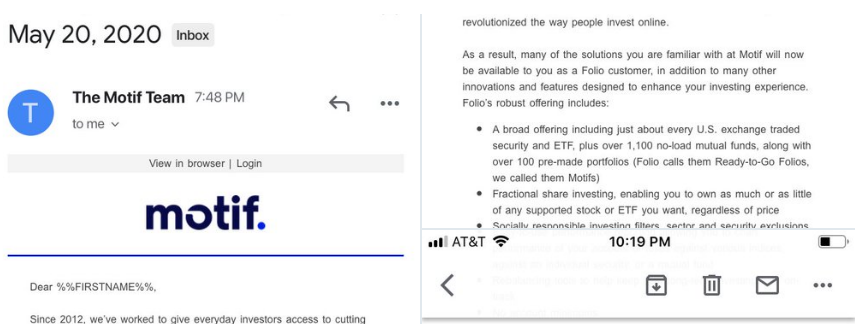
Yes, it did come with %FIRSTNANE%, who cares I guess...


May 20, 2020 Inbox

The Motif Team 7:48 PM
to me

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motif.

Dear %%FIRSTNAME%%,

Since 2012, we've worked to give everyday investors access to cutting

revolutionized the way people invest online.

As a result, many of the solutions you are familiar with at Motif will now be available to you as a Folio customer, in addition to many other innovations and features designed to enhance your investing experience. Folio's robust offering includes:

- A broad offering including just about every U.S. exchange traded security and ETF, plus over 1,100 no-load mutual funds, along with over 100 pre-made portfolios (Folio calls them Ready-to-Go Folios, we called them Motifs)
- Fractional share investing, enabling you to own as much or as little of any supported stock or ETF you want, regardless of price
- Socially responsible investing filters, sector and security exclusions

AT&T 10:19 PM

12 11:23 PM - Apr 17, 2020

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Motif specialized in impact investing, where clients can chose to invest in companies that promote social good. For a subscription fee, clients could create individualized portfolios that adhered to their own ESG guidelines and could see exactly which company stocks were in their portfolios at any given time.

The automated investment platform listed ***approximately $869 million*** in client assets on its latest Form ADV, filed in March, however only about $18 million was managed in discretionary accounts. The firm had 184 clients, according to the regulatory filing.

All the Motif accounts will be transferred to Folio Financial, according to a William Raczko, chief marketing office at Folio Financial.

"Strategically, the arrangement further scales our retail and advisory brokerage businesses as we continue to invest in additional solutions and services," Raczko said.

While Motif survived for almost a decade, ultimately size and scale prevail, said Kashif Ahmed, president of advisory firm American Private Wealth. "I suspect plenty of others in this space will go the way of the dinosaur as well."

Motif, which raised ***approximately $126 million in funding*** since it launched in 2012, is just the latest independent digital wealth manager to either close or be acquired. In January, ETF giant WisdomTree announced its interest in selling its stake in adviser technology provider AdvisorEngine, an integrated client relationship management system and digital wealth management platform. In July, ***Pacific Life Insurance*** pulled the plug on ***Swell Investing***, a digital advice platform offering sustainable investing-themed portfolios for retail clients and for advisers to offer their clients.

"What this means is that folks need to do some due diligence before they fall madly in love with the latest shiny object," Ahmed said.

The robo-advisory space is growing, however. Digital investing platforms are estimated to manage $257 billion in client assets, according to research from Aite Group. Digital assets are expected to climb to $1.2 trillion by 2023.

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BrianBK • 5 days ago

I loved Motif, best user interface ever for managing a portfolio. The ability to name and categorize your holdings any way you want makes managing a portfolio so easy. It also helps keep in focus why you have a holding, e.g. the "income" portion of my portfolio contains a mix of bonds ETFs and stocks, the "downside hedge" contains a mix of long-dated treasuries ETFs and hedged ETFs like SWAN, etc. Tools for big brokerages get most of my equity holdings wrong (e.g., ACWV is categorized as "foreign equity" when it is 50% U.S.)

I'm shocked TD Ameritrade/Schwab or any of the other brokerages didn't buy them at a distressed price. The user interface is the best I've ever used by a long shot, and I'd move all my assets to follow it.

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