

Press Release

Updated Solactive report on robo-advisors presents its findings: delayed responses to market volatility, persisting differences in cost and home bias between German and US robo-advisors

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Solactive published a report on robo-advisors titled *Robo-Advisory: A Closer Look at the Engine Room Through Time*. The new publication is a follow-up to the previous *Robo Advisory: A Closer Look at the Engine Room* released in November, studying the digital portfolios of three hypothetical investors - Bart S., Lisa S., Abraham S. – as recommended by a sample of German and US robo-advisors. After more than six months of investigation, this report presents the key findings on how our three friends' portfolios have changed over time.

These include: 1) Target portfolio weights assigned to specific risk profiles change from month to month; 2) Robo-advisors keep fine-tuning their investment strategies with frequent ETF changes; 3) Robo-advisors have shown delayed market reactions to the late-January rising market volatility; 4) US robo-advisors continue to invest more aggressively than their German peers; 5) Differences in terms of cost and home bias between German and US robo-advisors persist.

In addition, the paper introduces an updated version of a simulated multi-asset class model that was first developed in the November report, as a proxy for robo-advisors' performance through time.

Timo Pfeiffer, Head of Research at Solactive, commented: "*Our series of reports on robo-advisors started off with the idea of offering an independent perspective on the performance and portfolios invested by robo-advisors. Based on our observations, I want to stress the importance of looking beyond costs when picking a robo-advisor, something that I also emphasized back in November. The market moves for January and February confirm this, since not all providers responded to the changing market environment in a timely manner.*"

For further information, please visit: <http://www.solactive.com/research>

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Note to editors

About Solactive

Solactive AG is an innovative index provider that focuses on the development, calculation and distribution of tailor-made indices across all asset classes. As at January 2018, Solactive AG served approximately 400 clients in Europe, America and Asia, with approximately USD 200 billion invested in products linked to indices calculated by the company globally, primarily via 350 exchange-traded funds from a number of well-known providers. Solactive AG was established in 2007 and is headquartered in Frankfurt.

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