



Dr Robo: Solving for A&E in Hong Kong?

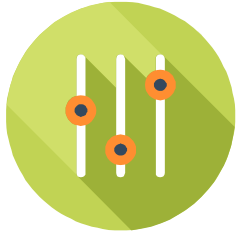
Robo-advisory as a financial tool

Presentation to the Hong Kong Retirement
Scheme Association (HKRSA)

—
October 28, 2019

Why use Robo-Advisors?

Robo-advisors are digital platforms that provide automated, algorithm-driven financial planning services with little to no human supervision. The Robo collects information from clients about their financial situation and goals, uses the data to offer advice and can then automatically invest client assets.



Low minimum thresholds



Affordable fees



Simplifies investment landscape



24/7 Digital delivery

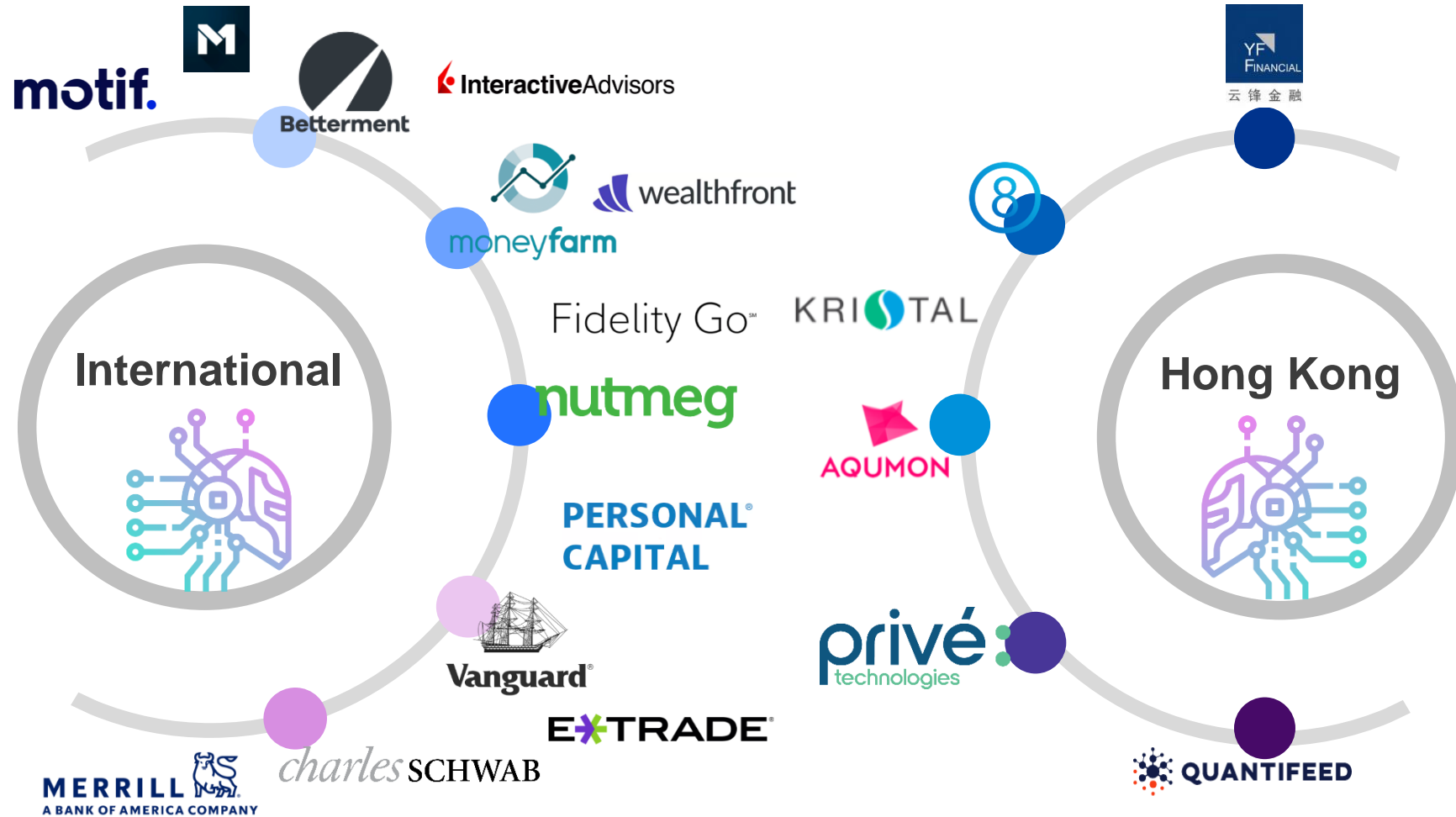


Predictable and data-driven



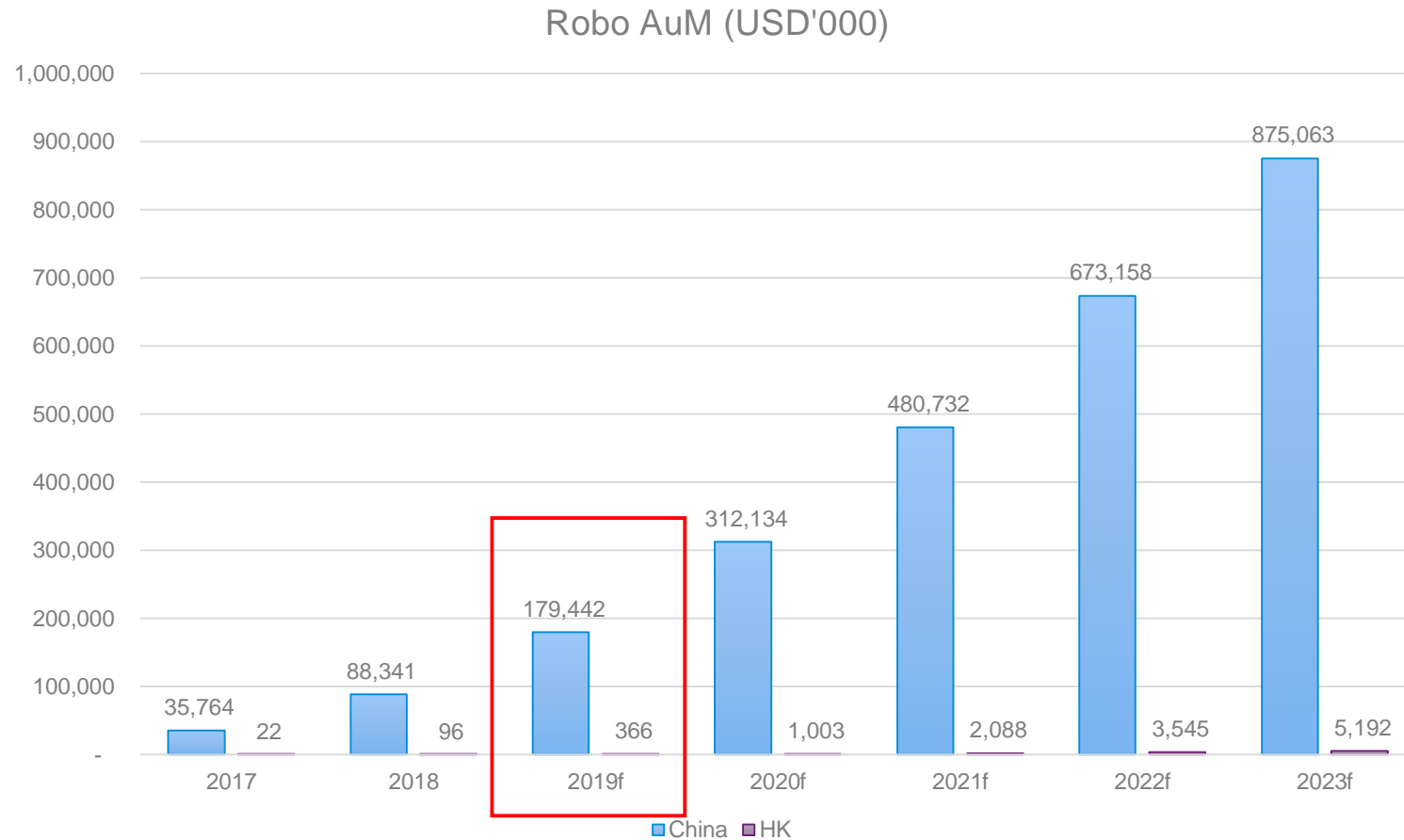
2019 Robo-verse companies

While solid data on Robo-advised AuM is hard to come by, Backend Benchmarking estimates the figure at \$440 billion as of mid-2019, while Aite Group says it's in the \$350 billion range; it seems reasonable to assume that the total is therefore less than a half trillion dollars.



How are Robo-advisors delivered in Hong Kong? (1)

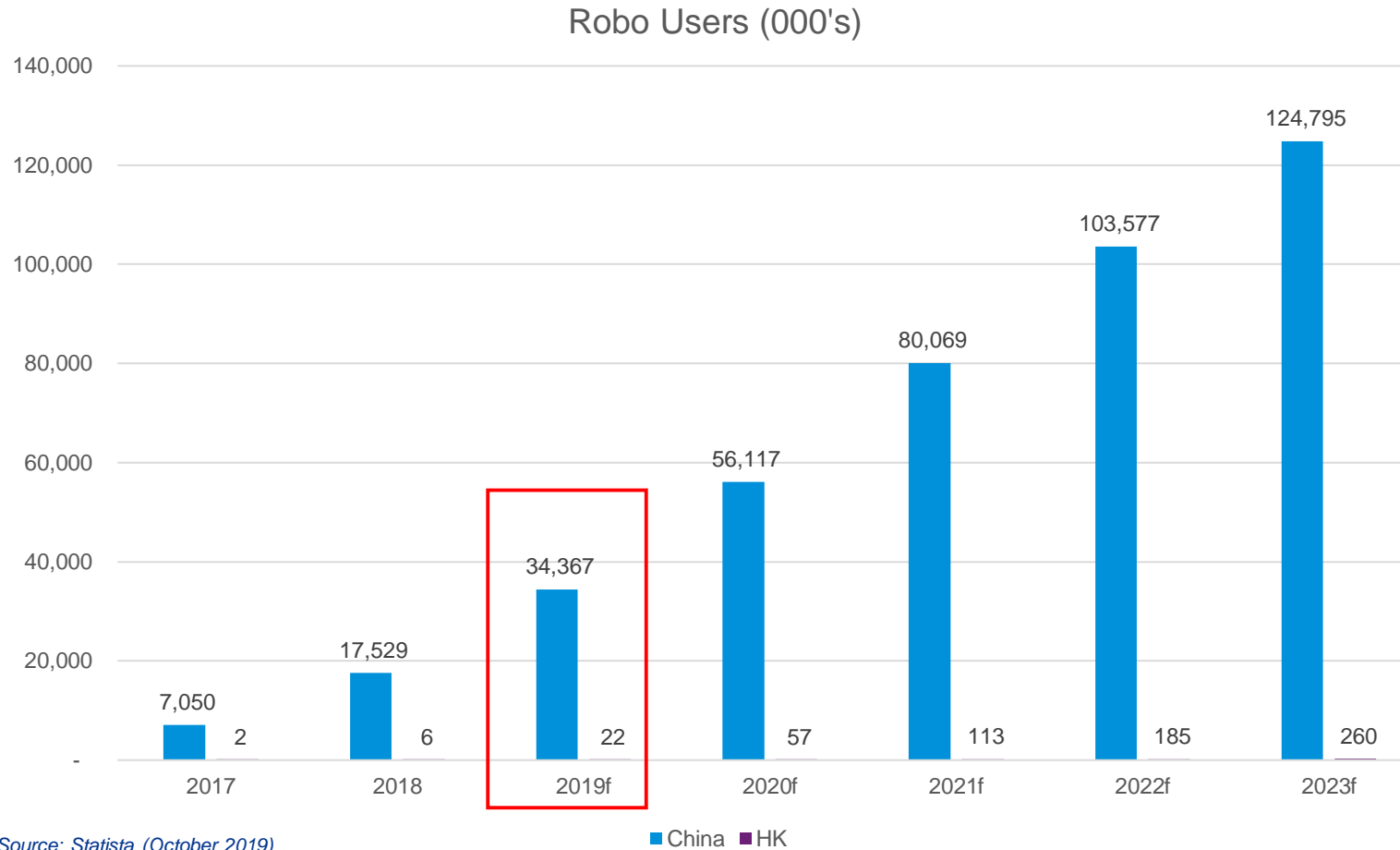
In Hong Kong, assets under management in the Robo-Advisors segment amounts to US\$366m in 2019, and expected to show a compound annual growth rate of 94.0% out to 2023. Today, China with \$179B is the world's 2nd largest Robo-market; the US is the largest with \$750B.



Source: Statista (October 2019)

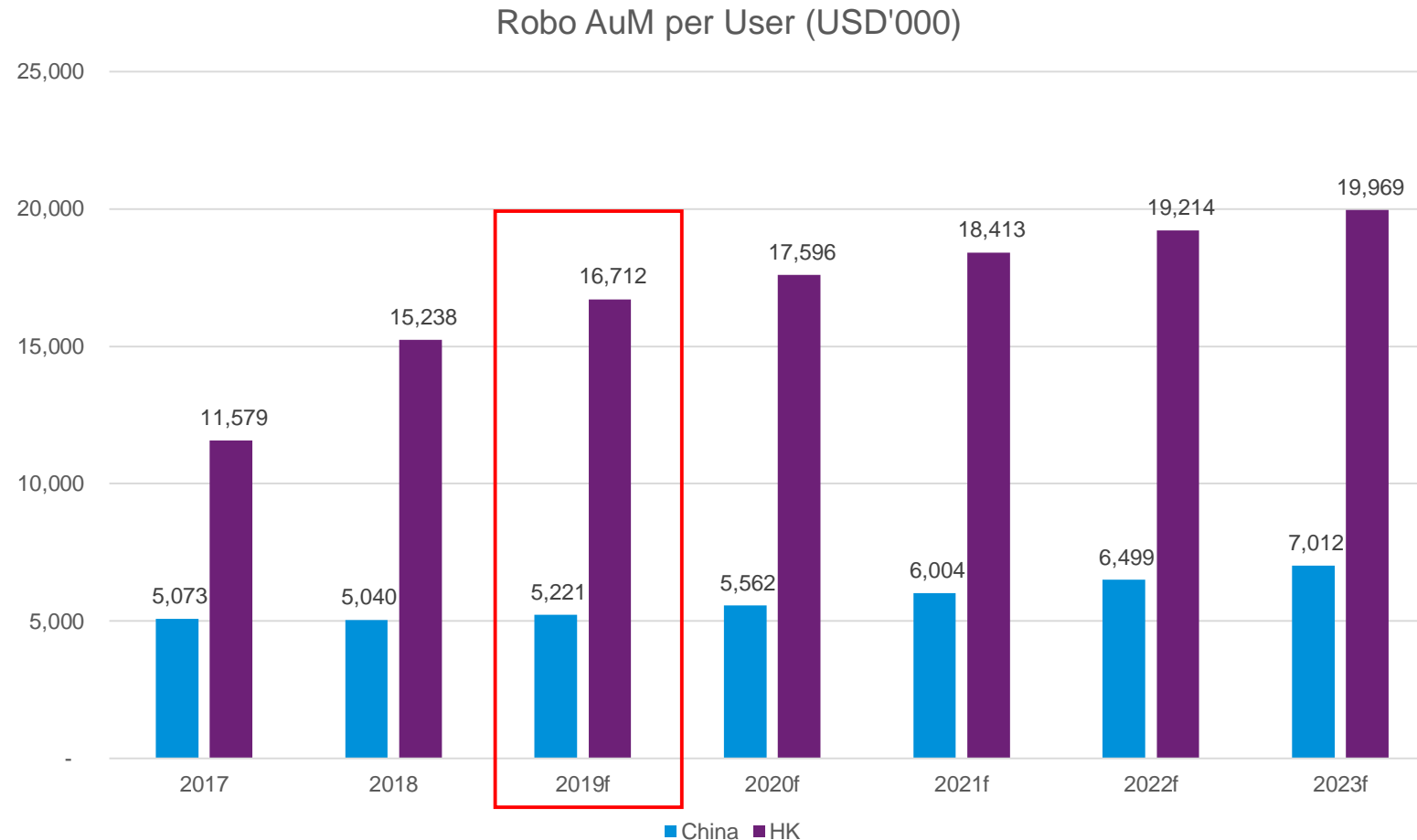
How are Robo-advisors delivered in Hong Kong? (2)

In Hong Kong's Robo segment, the number of users is expected to rise to 260 thousand by 2023, which is a 263% increase from 2019 and an average YoY growth rate of 38.9% out to 2023.



How are Robo-advisors delivered in Hong Kong? (3)

The average assets under management per user in the Robo-Advisors segment amounts to US\$16,729 in 2019. The higher number for Hong Kong likely reflects a different demographic for the Hong Kong users.



Source: Statista (October 2019)

Can Dr Robo solve A&E in Hong Kong?



A



E

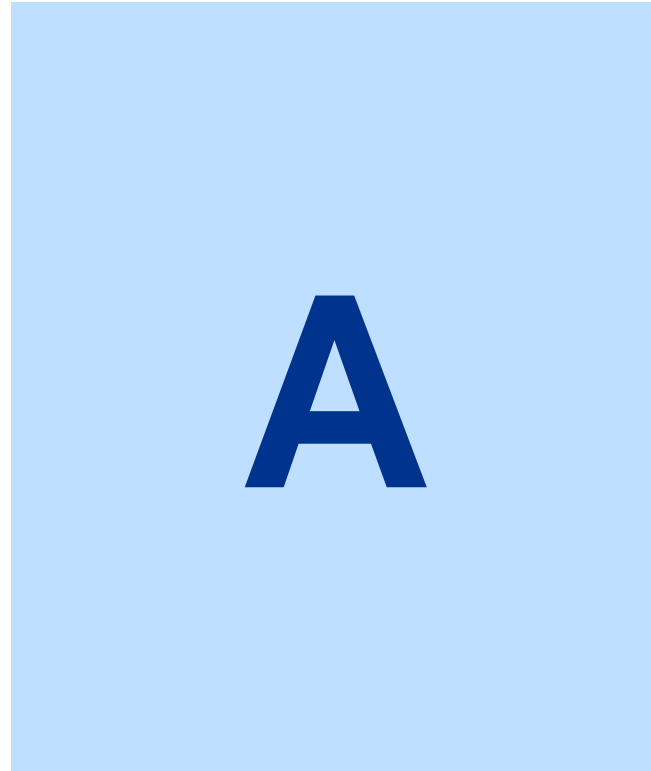
Can Dr Robo solve A&E in Hong Kong?

A

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ENGAGEMENT

Can Dr Robo solve A&E in Hong Kong?



Can Dr Robo solve A&E in Hong Kong?

A

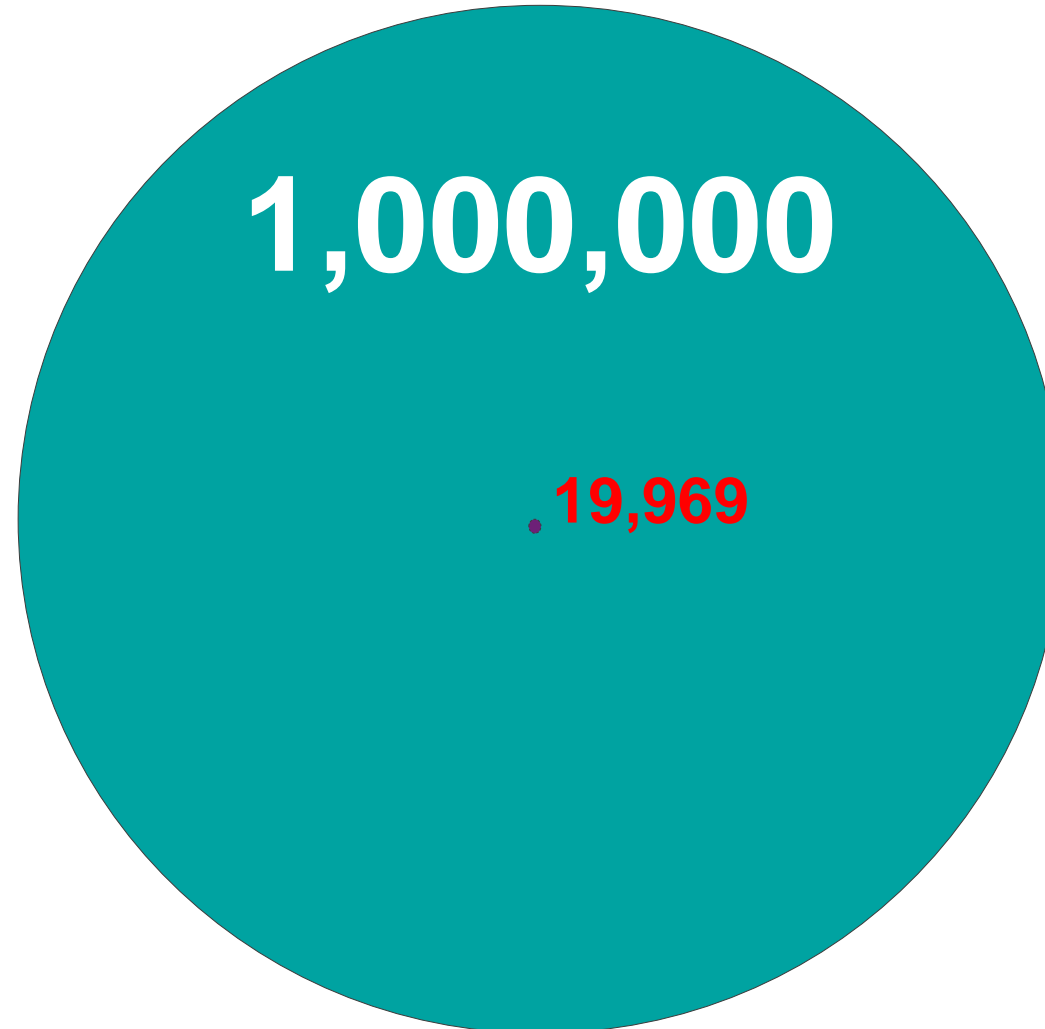
ADEQUACY



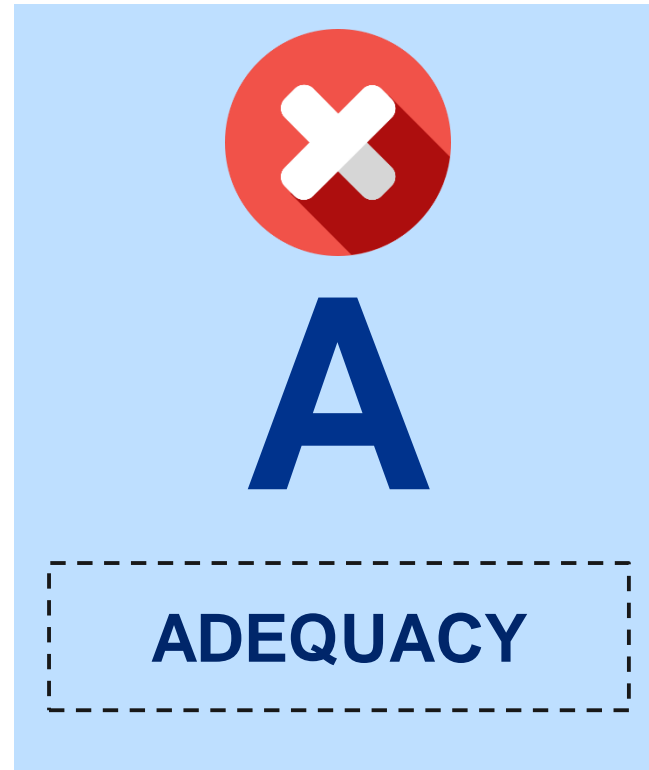
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ENGAGEMENT

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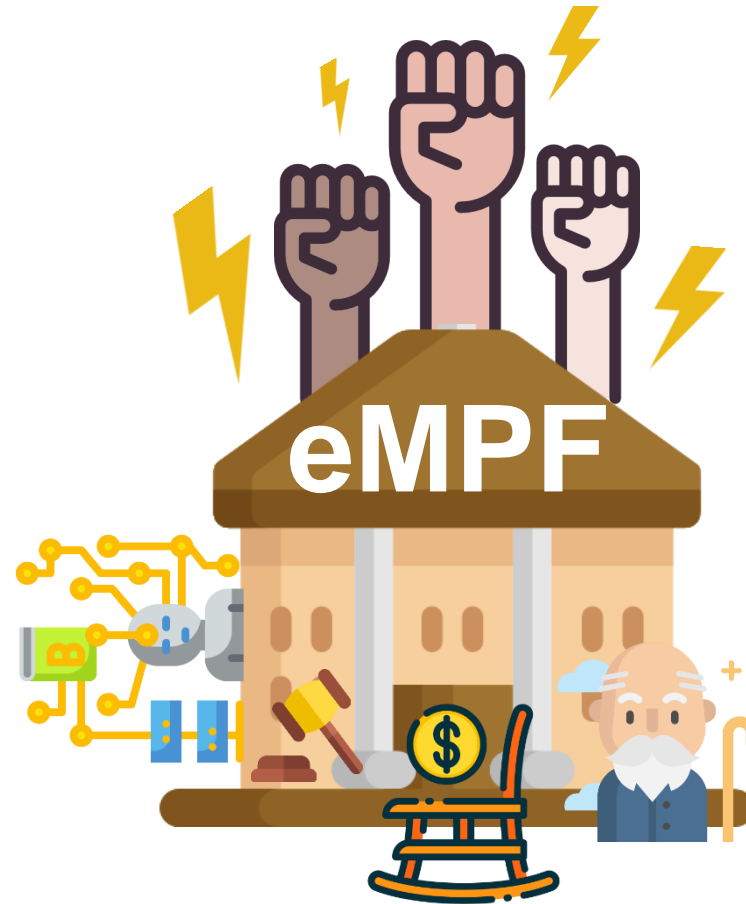


Can Dr Robo solve A&E in Hong Kong?



If not Robo, then what?

Robo-advisors are in-and-of themselves not the answer for Hong Kong's pension system, but in an ecosystem with the eMPF and higher rates of mandatory contribution, they could be an important component of a modern, leading pension system in Hong Kong.





Thank you



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