

Bank Trust Portfolio Manager

Top producing PM at bank trust uses Smartleaf to spend more time with clients.

In this case study, we visit with a senior portfolio manager (PM) to find out what role Smartleaf has played in his success, and what advice he has for PMs who are new to the system.

This PM has been using Smartleaf to manage his book of business since 2007. Since 2011, he has been one of his firm's top producing PMs as measured by revenue growth.

Summary

Since switching to Smartleaf in 2007, he has noted:

- A 3X increase in time spent with clients, prospects and influencers — an average of 4½ hours a day after Smartleaf vs. 1½ hours a day.
- A 5X increase in average account size and AUM over 5 years (a growth rate of approximately 38% per year).
- The ability to win greater wallet share and attract wealthier clients through having more time, providing more portfolio review and customization, and offering open-architecture.

Interview

Q How did Smartleaf help you become your firm's top producer last year?

A Smartleaf was a part of some changes that allowed us to offer things like open architecture and better asset allocation services, which in turn helped me to attract a different type of clientele. The biggest impact Smartleaf itself has made on my work as a PM is to let me spend less time trading and rebalancing and more time talking to clients, prospects and influencers. That, and the fact that I can tell my clients their portfolios are reviewed every day.

Q Have you seen a difference in your rankings before and after you started using Smartleaf in 2007?

A Before 2007, I was in the top third or the top quartile. Since 2007, I've been able to spend more time directly in front of our clients,



prospects, centers of influence, and even our own staff. Last year, I was ranked number one in the firm. This year is also looking to be a good one for me as well.

Q How has your average account size and AUM changed since switching to Smartleaf?

A Average account size has gone from about \$1mm to \$5mm, with AUM rising from about \$100mm to \$500mm. There are three main reasons for this increase:

- More time to meet with clients and prospects to discuss their needs, which directly correlates to additional business.
- The ability, with Smartleaf, to manage more complex portfolios — multiple SMA manager strategies in one account. The more sophisticated portfolios have been a selling point when discussing strategies with clients and prospects.
- More time to understand and implement other strategies in accounts.

Q Where have your new assets been coming from?

A Our team has received quite a bit from current clients. Being out in front of our clients more and talking more about things that matter to them has been invaluable. We've been able to focus more on the client, their financial planning, what really keeps

them awake at night, and what their goals are — which, in and of itself has nothing to do with Smartleaf. On the flip side, it has everything to do with Smartleaf, because if we had to spend more of our time banging out trades, we wouldn't be able to have those conversations.

Q Roughly how much more time do you have for your clients now that you're using Smartleaf?

A For every portfolio I have on Smartleaf, I become more efficient. Before, I spent 1 or 2 hours a day talking to clients, prospects, centers of influence and other coworkers about investment strategies and client dynamics. Now it's 4 or 5 hours a day.

Since you're not tied to your desk trading, you have the time to see clients more often each year. Not only are we meeting with them more, but the time we are able to spend on client planning has increased as well.

Q Where in your daily workflow has Smartleaf saved you the most time?

A On most days, we get our trading done by 10:00 am. It used to be we had to trade and trade and trade and put spreadsheets together to rebalance the portfolios. Now, we can just get things done in a very efficient manner. I rebalance most of my accounts — those that are in "steady state" — in about 15 minutes a day. I spend more time on transition accounts, maybe 45 to 60 minutes a day.

If there is a large asset allocation change, it's a one-day process with Smartleaf, maybe a two-day process. And when I say two days, I mean two mornings. Four to six hours to rebalance my entire book, versus five to ten solid days of work over several months.

Q Do you spend a lot of time reviewing and altering the trade recommendations that Smartleaf makes?

A I'll go into Smartleaf and look at the analysis screen for the portfolio to make sure things look okay there, at a high level. Then I just give a quick glance at the trades and make sure that we're selling the securities we want to sell. I would say that about 95% of the time, I just execute the trades as they are.

Q Does it take you a long time to set up a new portfolio?

A Unless there are some oddities around it, not long at all. It takes me about five minutes to set something up to the point where it's ready to trade — unless I have a specialty strategy where we are including something out of the ordinary.

Q How has Smartleaf affected the way you deal with compliance?

A We get a report in the trade order management system that says if we are in or out of compliance. Once my accounts were set up, I was in compliance and it was simple to keep things that way because of Smartleaf. At this point, I know exactly which accounts are out of compliance, and those are just the ones that are in transition, new or have some funky oddity to them.

Q Why do you prefer using Smartleaf over your trade order management system (TOMS)?

A The TOMS has the inherent limitation of only being a trading system. It lacks the capability to analyze and make recommendations to the portfolio on a daily basis, whereas Smartleaf has the ability to "think" and provide recommendations based upon where you want your portfolio to be positioned. This added benefit has helped me to look at portfolio management strategies from a different angle, which has allowed me to produce more efficient portfolios.

Q What part do you see Smartleaf playing in the direction of your firm as a whole?

A We need to be able to grow the business. You have to produce good numbers and retain your current clients. Smartleaf lets PMs do both.

About Smartleaf

Smartleaf is the market-leading provider of automated portfolio rebalancing solutions. Smartleaf applies institutional-grade analytics to address the challenge of managing customized, tax-optimized portfolios at scale. Smartleaf was founded to make it possible for all investors to have their portfolios managed in a way that was once the exclusive preserve of the ultra-high-net-worth investor. With its innovative Taxes Saved and Health Checks reports, Smartleaf is transforming the client experience, enabling wealth management firms to show each investor a personalized record of continuous oversight, meticulous care and exceptional value. Smartleaf was founded in 1999 and is headquartered in Cambridge, Massachusetts.

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