

# Industrializing “model” portfolio management

## Client

**A leading global asset manager with in excess of \$700bn of assets under management**

## Problem

**The Multi Asset division was seeing increased demand for model portfolio services from retail banks, registered investment advisor and wealth manager rms.**

This required them to distribute a suite of information on the positioning, risk and performance of model portfolios customized for the client. Their current process relied on spreadsheet and Powerpoint processes. As each client’s model portfolio range needed to be customized, they were unable to scale and govern the process. They also struggled to dynamically position their services with prospects to capitalize on the business growth potential.

## Solution

**Jacobi’s platform could be used to industrialize the creation of model portfolios, the support engagement and servicing of their clients.**

To create model portfolios, the Client integrated their capital market assumptions, asset class schema and used Jacobi’s off-the-shelf optimisation tools to run the strategic asset allocation. Objectives and constraints for each model could then be varied to reach a client’s unique requirements (e.g. minimize

drawdown or volatility, maximize Sharpe ratio, apply minimum income or liquidity thresholds).

Once the model portfolio range had been created, the Client could use Jacobi to distribute information to their client. Portfolios could be presented using a mix of ex ante and ex post analytics, including charts on asset composition, forward projections and simulations, stress and historic back-tests and performance monitoring. To support engagement, each client's portfolio range was captured in a unique "workspace". This would be shared with the relevant relationship manager, with the output integrated in the relationship manager's wider client reporting solution (linked via API).

With the Multi Asset team managing an ever increasing range of model portfolios, it was important to have full visibility. Therefore, dashboards could be created for compliance monitoring to ensure the appropriateness of the performance and positioning of all model portfolios.

## Outcome

# The client benefited from improved process efficiencies and better engagement with their clients and prospects

They could now better articulate the value-add of their model portfolio services, and their clients could see the customization at work.

No longer burdened by a lack of scale, their focus turned to how they could incrementally improve their model portfolio creation processes to further enhance and differentiate their offering.

For more information on Jacobi's highly customizable technology to support the scaling of investment processes and client engagement, please contact us or visit [www.jacobistrategies.com](http://www.jacobistrategies.com)