

## ► PORTFOLIO

### Richard Bloch

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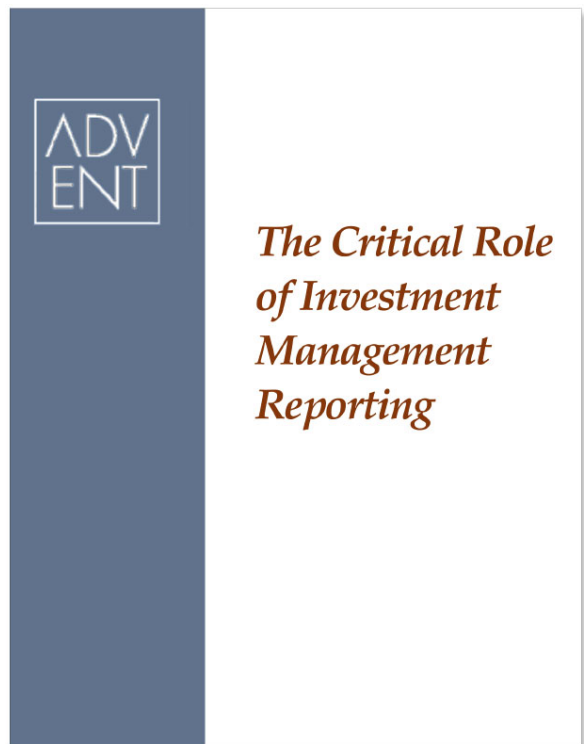
**Client:**  
Advent Software

**Media:**  
White paper

**Objective:**  
Create fulfillment materials for  
lead generation offer

Advent Software, Inc. is the world's leading provider of automated solutions for investment professionals – enabling these firms to run their businesses more effectively.

This white paper was written as fulfillment for a lead generation offer. The paper discusses competitive threats and positions Advent's Axys product as a premier portfolio management solution.



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### The Critical Role of Investment Management Reporting

*Does your firm's reporting strategy really support attracting and retaining a loyal client base? Read how your firm could become far more profitable by taking advantage of some of these innovative practices.*

There was a time not long ago when your clients were perfectly satisfied with the standard “no-frills” monthly report on their investments.

As long as performance numbers were satisfactory, a client's monthly report really didn't make much impact. Customizing a report for any single client was not a realistic alternative, so phone calls were often necessary to address questions that the report couldn't answer.

What's more, investment professionals rarely viewed these regular communications with clients as an excellent marketing opportunity. Therefore, little, if any, consideration was given to how reports looked and how they were delivered.

After all, reporting was not a differentiating factor in maintaining a stable and loyal client base. Since each manager pretty much delivered the same style of report, no one investment management firm could distinguish itself by providing a higher level of customer service in this area.

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### A New Competitive Environment Has Emerged: Are You Ready?

Investment professionals today face many new challenges. Providing sound financial advice will continue to be of prime importance, but top quality client service will continue to grow as a critical factor in the unending competition for new business.

One major issue in the competitive environment is the attitude and characteristics of an investment manager's best customer—the affluent investor. As the baby boomer generation continues to age, its members will inherit the usual challenges of managing estates, transferring wealth and giving to charity.

Yet, the profile of the emerging affluent investor doesn't fit the traditional mold. A recent Goldman Sachs study concluded that only one-third of the assets of wealthy individuals is under professional management.

The abundance of financial information on the Web has made the idea of self-service financial management quite popular. With access to pricing information, real-time quotes and investment research on the Internet, individuals think they have all of the information they need to manage their own investments.

And while these technological advancements do bring undeniable benefits, the downside is that professional investment managers must now convince clients and potential clients that there is more to managing money than simply bookmarking a few Web pages and maintaining an online trading account.

With this trend of self-directed investing, as well as increasing competition from more traditional sources such as banks and brokerages, it's clear that investment firms will need to focus more on client service as a way to differentiate their offerings. The "one-size-fits-all" approach will no longer be effective as younger, affluent investors, who are well-versed in the power of current technology, will expect information to be delivered more frequently, more quickly and with a more sophisticated presentation.

While your record of investment returns will continue to be an important factor in selecting your firm, how you communicate and interact with your clients has already become increasingly significant in the selection process. Fortunately, a wide range of strategies are available to make it easier than ever to deliver on the promise of more effective communication with your clients.

### Investment Reports: A Positive Representation of Your Services

The reports you provide are likely to be the main way you communicate with clients. Therefore, they occupy a primary role as a key marketing communication tool that represents you, your firm, and your work to clients and potential clients.

While you cannot always control how the markets will affect your clients' portfolios, you can control how

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you communicate with a client. What you send to a client – and how you send it – can make a significant difference in the perception of your performance. A well-thought out, sophisticated presentation demonstrates that your firm stands out as one that knowledgeably leverages technology to provide a high level of service.

Also consider that many of your clients are not quantitative thinkers at all. Often this will require that additional information be distilled into a summary so they can better understand key concepts. Anything you can do to enhance the understanding of a client’s objectives and strategies will mean fewer phone calls and emails you have to return and save you time.

Investment managers have discovered that making reporting improvements provides an excellent return on investment by offering:

- More satisfied clients: A report customized for a client demonstrates your attention to detail and makes the presentation more personal. For example, including disclaimers based on specific portfolio items or personalized footnotes to call attention to particular details can illustrate your attentiveness.
- More knowledgeable clients: Some clients really enjoy poring through their reports. Including customized data such as asset allocation vs. target asset allocation or performance analysis by sector will make your reports more informative and interesting, further enhancing the client/manager bond.
- A more professional image: Although it may sound trite, “how you say it” is indeed equally as important as what you say. For example, using a variety of charts to used graphically illustrate such concepts as asset allocation and performance history can be more compelling than using numbers alone.
- Time saved: In many cases, client questions you might normally have to answer regularly over the phone or via email are answered more completely in a detailed report. For example, automatically generating billing statements that provide clear and specific detail on services rendered, or making tax filing easier by consolidating various end-of-year tax statements, can result in much time saved.
- Increased referrals: Often client statements and reports are shared with others. Therefore, the information you provide can be used as a marketing tool that demonstrates your work. This can be a key reason why new prospects will call you above others.
- Better performance: In addition to more sophisticated customer service, reports can help you market your firm and improve your return. Summarizing all of the funds under your management with cross-references and reconciliation reports can help save you time and give you a better handle on your management activities.

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### What Reports To Deliver and Why

Reports provide tangible benefits in the form of fewer errors, increased productivity and superior client service. A polished presentation that is deep in content enhances your image and encourages referrals.

What's more, with easy access to key data on your daily operations, you can be in a better position to make more informed investment decisions, comply with regulatory agencies such as SEC and AIMR, and grow your client base.

Obviously, with so many possibilities, you need to create a "portfolio" of reports by standardizing some of the information you provide to clients. You may wish to approach this by segmenting possible reports into three main categories:

#### 1) The basics

These are reports you provide your clients on a regular basis because they form a cornerstone of basic information, or because they meet certain legal and regulatory requirements. These include:

- |                      |                              |
|----------------------|------------------------------|
| Client Reports       | -Regulatory Reports          |
| -Portfolio Appraisal | -Constructive Custody Report |
| -Income and Expense  | -Commission Report           |
| -Portfolio Summary   | -Commission Purpose Report   |
| -Realized Gain/Loss  |                              |
| -Billing Statements  |                              |

#### 2) Optional enhanced reports

Some reports go beyond merely summarizing data and provide a level of depth and understanding that communicate your professionalism. They also help you and your clients make more informed decisions. Some examples of enhanced reports are:

- Unrealized Gain/Loss
- Performance by Asset Class
- Transaction Summary

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### 3) Referral tools

These are the reports that promote your firm and its performance. Clients often share these reports with others. They include:

- Internal Performance Report
- Composites

### The Nuts & Bolts Of Reporting: Finding the Right Reporting Solution

While the tools that allow you to create sophisticated reports have become far more affordable, it is still important to carefully evaluate each solution to determine what functionality you need and how it can be effectively incorporated into your practice.

As a growing investment advisor, here are some issues and questions you should consider when selecting an investment management reporting tool:

- Comprehensiveness: Does the tool you are considering provide a wide range of pre-formatted reports that meet most (if not all) of your needs? Can these reports be run for and display a variety of criteria?
- Ease of Use: Can the reports you need be produced quickly and easily—or will they require a significant amount of formatting and manipulation to fit your needs?
- Appearance: How do the reports look? Are they professional and easy to read? Do they present key concepts in a clean layout and allow you to use color to communicate more clearly?
- Charting style: Do the charts look professional? Are they easy to read? Can you provide a wide mix of bar charts, line charts and pie charts to meet specific needs?
- Customization: Can you use the reports to leverage marketing activities? Can you incorporate your logo and address easily? Can you select your own font to match your current company identity?
- Integration: Will the tool you use integrate seamlessly with other applications? Can you import data from other programs quickly and easily using such tools as Object Linking and Embedding (OLE)?
- Flexibility: Can you easily generate your reports on demand when necessary? Can you save time by printing many reports in batch mode at the click of a mouse (even overnight)?

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- Internet Delivery: Is the solution one that can generate electronic reporting (via the web) as easily as it generates paper reports?

### **Seeking Unparalleled Reporting Capability? It's All Part Of The Advent Advantage!**

One impressive tool that helps you manage your business and enhance your image is a complete portfolio management tool such as Axys from Advent Software.

As the world's premier portfolio management solution, Axys has been chosen by over 1600 growing investment management firms like yours to streamline portfolio management, accounting and company operations.

With a wide range of reporting capabilities available, Axys represents an affordable solution to help growing firms reduce errors, cut overhead and deliver on the promise of enhanced customer service. (See sidebar box, "Two Affordable Solutions.")

Specific reporting capabilities available under Axys include:

- 200 high-quality pre-defined reports covering activities such as appraisals, realized/unrealized gains, cash activity, performance, regulatory compliance, and more.
- Creation of custom reports, whether for internal research, samples for marketing presentations, or for specially configured reports based on client requests.
- Distribution of Internet-ready reports in HTML which means putting reports on the Web is easier than ever.
- Convenience Easily produce reports on demand by automating the running, printing and collating of daily, monthly and quarterly reports.
- High impact graphics for creating attractive eye-catching reports and enhancing your corporate identity. Select from a wide variety of fonts, logos and text and scale them into your reports quickly and easily.

Plus, you can take advantage of *the powerful Axys feature set* including complete portfolio accounting, sophisticated performance measurement, and automated access to client information – all in one complete integrated solution.

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Need more information?

If you need more information on how to use reports to enhance your professional image, streamline your operation, and help you grow your business, please call Advent Software at 1-800-000-0000.

We'll be happy to tell you more about our industry-leading investment management solution and show you how it can more affordable than ever to integrate it into your firm.

*(SIDEBAR)*

***Two affordable solutions:***

**Advent Helps You Manage Your Growing Business**

Advent Software has designed two affordable options to allow growing investment management firms to take advantage of the sophisticated portfolio management and reporting features in AxyS. Call 1-800-000-0000 now to find out more about:

Advent Growing Advisor Program:

Under Advent's Growing Advisor program, growing firms can take advantage of all the powerful functionality of AxyS at a reduced rate designed especially for firms managing less than \$50 million in assets. Now you can leverage a sophisticated analysis, decision making and reporting tool at a price that makes sense.

Under this special program, you get the full range of AxyS portfolio management, reporting and accounting capabilities to help you enhance decision making, track results and simplify compliance with SEC and AIMR regulations.

Advent Certified Web Reporting:

Specifically designed for firms that require sophisticated reporting, but prefer to out source data management and system administration, Advent Certified Web Reporting provides access to polished sophisticated reporting online.

You'll have far more time to concentrate on business development. There is no large capital investment required, and you can incorporate this seamless solution without worrying about hiring, training and retaining a back office team.

For more information about either of these programs designed specifically to meet the needs of growing firms, priced well within your reach, call Advent Software at 1-800-000-0000.