

Optimizing SMA Portfolios With ASTRO



Creating customized portfolios for clients is a critical and valuable service many advisors offer to their clients, but the mounting needs to personalize portfolios also puts a time pinch on advisors and portfolio managers.

Personalizing a portfolio for a client for tax harvesting, social concerns, and other considerations is a process that can take hours per account. In our busy world, spending a few hours on a single account is not an option and for many advisory firms with a large roster of clients, it's not even feasible.

We're introducing ASTRO (Advisor Strategy & Tax Return Optimization) today to take those hours that can be spent optimizing a portfolio and turn them into minutes. ASTRO is a new tool that helps you build tax-efficient SMA portfolios that can also take into account environmental, societal, and governmental (ESG) concerns of your clients. This tool is available to advisors using the Eclipse™ trading and rebalancing platform and TOM (Trade Order Management).

Let's take a look at what ASTRO can help you do.

Who is ASTRO For?

The full version of ASTRO is built for CFA type users. In this full version of the tool, all the customization and personalization options are accessible and available.

We're also developing an express version of ASTRO that will be geared to reps and advisors. The express version will assist those types of personnel who are

talking to clients and bringing investors in for meetings in the office. The express version is simpler and features a more visual user interface to allow advisors to use it as a tool to show clients how optimizing their portfolio based on models or benchmarks will benefit them.

What does ASTRO Do?

The full and express versions of ASTRO will both help you optimize portfolios. Tax-aware features are one of the biggest advantages to using this new tool.

Here's a simple example of how the tool helps you with tax planning. Using ASTRO, you will be able to see the amount of capital gains/losses, long-term and short term gains/losses in a client portfolio. ASTRO then does the calculations to figure out how much to sell and buy of each fund to get the maximum return for lowest risk while taking into account capital gains. Additionally, ASTRO is still taking into account the model the portfolio is being compared to to ensure it stays in line with the parameters you've set up.

ASTRO also gives you an easy way to deal with legacy holdings. In the past, you might have considered those assets that a client doesn't want to sell to be a pesky thorn in your paw. But with ASTRO, you can designate and mark assets that need to be kept, and the system will fit other holdings around it to make sure that your model portfolio still balances out.

The full version of ASTRO, designated for CFA type users, offers advanced tools over the Express version that will be more useful to financial advisors. The full version allows you to import alpha scores to a securities, create buy lists, create fully customizable portfolio configurations with advanced settings, and set your own sector and industry mappings. The full version will also have more advanced reporting features that drill down further into the securities.

How to Get Started with ASTRO

ASTRO will launch for all Orion advisors who trade through Orion Eclipse™ and TOM this Spring. If you're also a Communities user, you'll be able to seamlessly pull in any models you subscribe to in Communities to ASTRO as well.

We'll be providing more information about ASTRO as the spring release date

approaches. Make sure to subscribe to the Orion blog to be the first to get news on new product updates.

0051-OAS-1/26/2018