Fintech Active Allocator Launches First Portal for Active Asset Allocation and Portfolio Construction

Active Allocator today announced the launch of the world’s first and only online asset allocation and portfolio construction portal for financial advisers to seamlessly include traditional, illiquid and alternative investments in portfolios.

New York, New York (PRWEB) August 05, 2016 -- Active Allocator today announced the launch of the world’s first and only online asset allocation and portfolio construction portal for financial advisers to seamlessly include traditional, illiquid and alternative investments in portfolios.

The portal builds on, and optimizes upon, that what an investor already owns. In seconds it analyzes an existing portfolio on a forward looking basis. It then generates numbers and metrics and makes recommendations to reallocate or add new sub-asset classes to complement and enhance existing holdings. The design accounts for alternative investment specific considerations including stale pricing in returns measurement, unique risks that differ from traditional investing, the effects of liquidity on portfolios, special issues that come with investing in inefficient markets, strategy heterogeneity as well as special fund manager evaluation considerations. It is intended for sophisticated advisers who serve affluent and high net worth clients.

Sameer Jain, Active Allocator’s co-founder noted, “Our approach overcomes challenges that investors face when allocating to active managers. These include comparing managers, accounting for limited performance histories, separating true prized skills from cheap market exposure and luck. We also address asymmetric information and opacity in the returns generation process and manage the effects of changing market conditions while containing downside risk. Our approach is an active one for we proactively forecast the degree of uncertainty in future returns, volatility and correlations of fund managers. We provide the ability to include soft qualitative views from a firm’s due diligence function and incorporate a degree of confidence within a quantitative manager allocation framework.”

The portal has been designed by MIT engineers and has been coded in Israel by former Israel Defense Forces computer scientists around latest technologies.

The company sees a large fragmented market for its product. It intends to focus on the independent financial advice channel by targeting a subset of sophisticated 30,000 registered investment advisers and successively moving on to an audience of 200,000 independent financial advisers who are presently attached to independent broker dealer systems. Progressively it intends to garner traction and move to captive employee channels of small insurance, regional firms and smaller banks.

Adds co-founder Helen Zhai. “Our core growth strategy capitalizes on several long-term industry trends that continue to be valid and strong. First, the trend away from commissions and towards fee-based business continues meriting competitive differentiation through quality advice. Second, from the increasing adoption of technology driven advice on the part of both investors and financial advisers. Third, from the fintech revolution currently underway. We believe we are well poised to empower these trends. We see other drivers in overall industry asset growth, opportunities, when macro-economic environment changes lead to re-calibration of historic asset price relationships, from increasing demand for independent financial advice, from catalyzing adviser migration to independence as well as ramping up newly attracted advisers within RIAs and broker-dealer firms.”
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Online Web 2.0 Version
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