

Embracing technology in portfolio management

- Integrating technology is key to success
- Technology should enable productivity gains
- Is technology disruptive for the sector

Integrating technology is key to success

We use technology extensively in the portfolios we design for advisers and DFMs. Extensive fund research and analytics, risk analytics, portfolio optimisation, adaptive risk management and reporting - all of this requires tech - both off the shelf, integrations and proprietary. It's a huge priority area for us and a differentiating factor to maintain and build our competitive advantage.

Enabling productivity gains

Technology should help managers do their job more efficiently. We see a growing role for integrating technologies both for managing vast amounts of inbound data and for enabling DFM proposition to link up with platforms and end-client interfaces. We see tech as removing a lot of "grunt work" - that previously required many hours with spreadsheets or databases. If it doesn't exist, we build it.

Is technology potentially disruptive/damaging for the sector as a whole?

As regards to whether technology will help or damage the sector, it depends from whose perspective. Tech usually means adding more functionality with less capital intensity. That's good for business and good for end investors who benefit from growing economies of scale. So we see it as a great enabler to be harnessed and directed. The quality of the design, inputs and oversight is of course and will always remain key as with any tech revolution.

Bottom line

We think embracing technology is crucial for portfolio managers wishing to grow or maintain their competitive advantage..

Henry Cobbe, CFA

Head of Research, Elston Consulting

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Our Research & CPD focuses on multi-asset strategies, index funds and ETFs.

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