

IPS *Advisor Pro*[®]

Industry White Paper Series

Harris myCFOtm Investment Advisory Services, LLC

*A Case Study in How a Leading Wealth Manager Enhances Their
Service Offering Through Investment Policy Statements*

Background

As part of our commitment to providing tools, information and best practices to help financial advisors succeed, we are pleased to present the following case study that illustrates how Harris myCFO Investment Advisory Services, LLC, the investment advisory arm of Harris myCFO™, has enhanced their service offering to their 300 family office clients across 7 offices nationwide through the use of Investment Policy Statements (IPS) and the technology platform of IPS AdvisorPro®.

We invite you to learn more how your firm can benefit from the use of IPSs and the advanced technology of IPS AdvisorPro® at www.IPSAdvisorPro.com.

Introduction

“Since our founding, we at Harris myCFO have focused on being forward-thinking and that extends to our philosophy and approach to investment management.”

Harris myCFO Investment Advisory Services LLC, serves over 300 families, representing nearly \$18 billion in assets under management. Led by President Steve Braverman, Harris myCFO provides family office guidance and services, including integrated and customized investment advisory, income tax planning and compliance, wealth management, philanthropy, financial planning, concierge, financial reporting, expense management, and bill paying to high-net-worth families and individuals across the nation.

Harris myCFO is backed by Harris Bank, a Chicago-based integrated financial service organization that provides more than one million personal, business and corporate clients with banking, lending, investing, financial planning, trust administration, portfolio management, family office and wealth-transfer services. Harris Bank is a member of BMO Financial Group, one of the largest diversified financial services providers in North America.

“Since our founding, we at Harris myCFO have focused on being forward-thinking and that extends to our philosophy and approach to investment management,” noted Steve. “As part of that service delivery we have adopted a very unique and customized methodology for generating risk-adjusted returns for our clients.”

A Customized Approach

“IPS AdvisorPro® with its flexible technology allows us to truly customize the IPS by importing our detailed, complex and innovative asset classification methodology into the IPS.”

Harris myCFO uses a combination of multiple asset classes to create customized investment strategies at the family level, which can include multi-generations, multi-locations and multiple entities. Given the complexity of the affairs of ultra-high net worth families, it is critical to have a customized approach.

“We have developed an innovative “dual-asset classification” strategy to meet the asset allocation and cash flow needs of our clients,” commented Braverman. “This philosophy includes going above and beyond just the basic asset allocation categories of stocks, bonds and cash. We separate investments into “high-volatility” and “low volatility” and then drill down into unique levels of specificity to match the long-term investment appreciation needs for the multiple family generations along with their current income requirements. This allows us to gather the full picture of the family’s investable wealth and then manage as stewards of those investments.”

“As part of our family office services, we are paying their bills, buying aircraft, managing vacation homes, doing their taxes, etc. so we know what they are spending and can match those cash flow needs,” continued Steve. “Thus it is critical to administer these requirements through a unique multi asset allocation approach that is not merely just decades long, but truly a multi-generational approach.”

Investment Policy Statements are a critical component for how Harris myCFO crafts their customized investment strategies for their clients. “The IPS is the tool we use to document our recommendations and communicate to the client how it all fits together,” noted Braverman. “IPS AdvisorPro® with its flexible technology allows us to truly customize the IPS by importing our detailed, complex and innovative asset classification methodology into the IPS. Additionally, through its online platform, we are able to provide a consistent approach across our 150 employees and 7 offices nationwide, all the while controlling the process.”

Solving Complex Compliance and Reporting Requirements

“These multiple layers of oversight and regulatory compliance are wonderful for clients...however, they create significant operational issues that we need to overcome. “

Because Harris myCFO is part of multiple entities that include a cross-border bank, the reporting responsibilities and compliance requirements for the OCC, SEC, and the Fed along with Canadian regulators creates added complexity.

“These multiple layers of oversight and regulatory compliance are wonderful for clients as it gives them strong comfort about the safety and security of their assets in these days of confusion and angst due to the many scandals investors have suffered elsewhere,” commented Steve.

“However, they create significant operational issues that we need to overcome. IPS AdvisorPro® helped us solve these challenges across our 7 offices nationwide by easily importing our unique approach and providing the flexibility to set rules, guidelines, establish security and access controls, and provide the compliance disclosures on every IPS. The true value of the system was that it allowed us to provide a consistent, personalized, and customized service model that was process-driven and met our multiple compliance and reporting requirements.”

“When we were searching for a solution, we found that there was nothing else on the market that allowed us to import our unique approach”, continued Steve. “IPS AdvisorPro® gave us the efficiency gains we needed to continue to deliver our high level of service.”

ROI

“The real ROI that we are seeing with IPS AdvisorPro® is the better level of engagement our advisors are having with clients.”

The use of IPSs continues to become more critical and important in the investment advisory industry during these times of market volatility. “The real ROI that we are seeing with IPS AdvisorPro® is the better level of engagement our advisors are having with clients,” noted Braverman.

“In times like this we are able to respond to the changes in the markets by being able to quickly and efficiently change our modeling and completely accommodate the risk tolerances of our clients.

The ability to have a customized communication tool through IPS AdvisorPro® means that we are not being impacted by panicked client calls. We are having thoughtful conversations with our clients because the IPS provides the framework, discipline and roadmap that we put in place before the choppy markets hit.”

“Having a solid understanding of client risk-tolerance is very critical to the client relationship and IPS AdvisorPro® truly has become a foundational aspect of our service platform. We have been extremely pleased with the partnership,” concluded Steve.

About IPS AdvisorPro®

Created by financial advisors for financial advisors, IPS AdvisorPro® is designed to work with all types of wealth management professionals and their practices. IPS AdvisorPro® offers a flexible solution to creating and managing Investment Policy Statements that are easy to use through an encrypted, secure web-based environment. With over 1,000 users and 10,000 IPSs created, IPS AdvisorPro® is the industry's leading technology solution. IPS AdvisorPro® was named in 2006 by Morningstar as the "Software of the Year" and was a CPA Wealth Provider "Financial Planning Awards Winner" in 2009. For more information, please visit www.IPSAdvisorPro.com

IPS *Advisor Pro*®

9130 South Dadeland Boulevard
Suite 1625
Miami, Florida 33156

www.IPSAdvisorPro.com