



Industry White Paper Series

Keats, Connelly and Associates, LLC

A Case Study in how a leading cross-border financial advisory firm is enhancing its service offering through the technology platform of IPS AdvisorPro®

Background

As part of our commitment to providing tools, information and best practices to help financial institutions succeed, we are pleased to present the following case study that illustrates how KeatsConnelly, a leading cross-border financial and wealth management firm, enhances its service offering 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

“The clients we specialize in require a high level of expertise in cross-border issues and we’ve built out a comprehensive platform of investment, tax and financial planning services to meet their custom needs.”

KeatsConnelly is the largest cross-border wealth management firm in North America that specializes in assisting Canadians and Americans to achieve their financial and life-planning goals through a comprehensive planning process.

With offices in Phoenix, AZ and Boynton Beach, Florida, Keats, Connelly is a thriving practice, managing over \$250 million for 120 affluent families, while also processing over 1,000 tax returns for clients that deal with cross-border issues. KeatsConnelly employs 30 people in three different departments that focus on taxes, investments and financial planning.

“The clients we specialize in require a high level of expertise in cross-border issues and we’ve built out a comprehensive platform of investment, tax and financial planning services to meet their custom needs,” notes Drew D Phillips, Portfolio Manager.

Cross-Border Investment Policy Statements

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Due to the complex situations many cross-border investors face, KeatsConnelly employs a disciplined investment planning process to efficiently manage their portfolios. As part of that process, KeatsConnelly focuses on the Investment Policy Statement (IPS) as the key document that lays out how the client’s assets will be managed.

“For us, it is important to have on paper what you are going to do for the client, so they know what is going on, how we will manage their assets, how we will deploy the trusts and so on,” said Phillips.

“Because our clients typically have more complicated situations, the IPS becomes the go-to document and place of discussion to ensure we are on track to meet their needs and also so that the client has a transparent view into how their money will be managed.” At the heart of the KeatsConnelly investment management strategy is to take into consideration the many cross-border Canadian – US differences in taxes, retirement plans, required distributions and investment choices.

With the recent trends of a strong Canadian dollar, baby boomer retirement and an abundance of affordable real estate in the southern states, a large number of “snow bird” Canadians are buying second or retirement homes in the US and moving here, which requires them to seek out a US based investment advisor to manage their US investments.

According to Phillips, “As a cross-border firm, we have a very different approach to investing than other advisory firms. We focus on the tax-treaty between US and Canada and build in different strategies to optimize our client’s finances. As part of this we need to identify foreign assets and investments and include them in the IPS. With over 300 clients and growing, this requires a fairly sophisticated technology solution that can accommodate both US and Canadian assets.”

New Technology Approach

“With IPS AdvisorPro® we have the ability to update our IPSs firm-wide when our investment committee changes our philosophy or approach to asset allocation.”

When it came to selecting a technology solution to facilitate the cross-border investment planning process, KeatsConnelly brought together an internal group to evaluate potential solutions.

“Our first step was to research the industry to find the best in breed providers of IPS technology,” Phillips commented. “Previously, we were using a Microsoft Word template that led to much inefficiency, many errors and was an extremely manual process. As we were growing, this became fairly unworkable and we knew that we needed to deploy technology to simplify and streamline our work with IPSs.”

After a thorough research phase, KeatsConnelly selected IPS AdvisorPro®, with its advanced technology to standardize their approach to creating cross-border IPSs. “A critical aspect of the technology we selected was the ability to customize the asset classes and the language to accommodate our unique types of clients,” noted Phillips. “IPS AdvisorPro® with its very flexible and customizable platform, made that process a very simple one to implement, and the team at IPS AdvisorPro® were great to work with. “

“Additionally, because it is an online tool and has innovative templates, we can easily update our IPSs for client reviews in a matter of minutes. Particularly in today’s more volatile investing climate, we need the flexibility to respond to client needs and the changing investment environment,” commented Phillips.

“With IPS AdvisorPro® we have the ability to update our IPSs firm-wide when our investment committee changes our philosophy or approach to asset allocation. This wouldn’t have been possible with our old Word template approach and has provided us with an amazing amount of flexibility and freed up resources to focus on client service vs. manually updating documents.”

KeatsConnelly is also looking to put more and more of their technology in the cloud and not be so reliant on desktop software and servers, which would require them to manage a large IT infrastructure. “IPS

AdvisorPro®, as a web-based platform, allows us to access and work on our IPSs anywhere, anytime which has been extremely well received by our advisors,” noted Phillips.

Conclusion

“Integral to that approach has been our use of IPSs, which provide a crucial roadmap and transparency into how their assets are managed so that our clients have peace of mind.”

As the Canada-US cross-border trend continues to increase, KeatsConnelly is very optimistic about the future growth of the firm.

“Because we have such a specialized client focus, we’ve been able to provide a very high-level of service to helping our clients easily manage their complex financial situations. Integral to that approach has been our use of IPSs, which provide a crucial roadmap and transparency into how their assets are managed so that our clients have peace of mind,” concluded Phillips.

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 1,500 users and over 32,000 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.



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