



Make Better Use of Your Time

It's a simple truth in this industry: the more time you spend with current and prospective clients, the more successful you will be. Outsourcing investment management to EmeraldSpark will free up more of your valuable time to spend on what is most important for your business.

As a community bank or independent trust company, you know you can deliver better, more personalized service to your clients and neighbors than the large national banks you compete with. Oftentimes, however, you might feel somewhat less confident when it comes to meeting their investment management needs. Big banks have the scale to staff large investment teams and access a wide array of research, enabling them to deliver a robust investment offering to their clients. Small institutions typically do not have the resources to allocate towards building an experienced and knowledgeable in-house investment team, and the burden is then put on the trust officers.

EmeraldSpark is an outsourced investment team serving community bank trust departments and independent trust companies across the country. We are your dedicated team of research analysts and portfolio managers helping you navigate the increasingly complex investment side of your client relationships. We have the experience, knowledge, and

credentials to deliver the comprehensive and personalized fiduciary investment experience your clients deserve.

Forming a strategic partnership with EmeraldSpark can help lower costs, enhance expertise, increase your capabilities, and help you grow your client base. We provide you with the freedom to focus more of your time servicing trusts, meeting with clients, and developing new business.

Investment Management outsourcing can provide you with the following support:

- Investment policy design/adherence
- Investment analysis
- Portfolio construction/maintenance
- Risk management
- Business development and RFP response
- Marketing support
- Performance reporting

"Interestingly, firms that did not fall into the large or growing categories tend to spend more time on portfolio management and research. If these firms aim to demonstrate more growth, they may need to outsource at least some of their portfolio management and research tasks to free up time to focus more on client acquisition and service."

— WealthManagement.com 2014 Advisor Benchmarking Report



Do You Need More Time for Your Clients?

Your clients come to you because they want someone they can see face-to-face; someone they know they can count on to put their interests first. Trust is the core of your business, not just as a product but also as that belief your clients have in you that you are honest and capable — a belief that comes from fostering strong relationships with them. Your limited time should be spent on little else. To achieve the highest level of success you must delegate non-core responsibilities.



Do You Sometimes Feel Like You Can't Compete for the Big Clients?

Have you ever pitched your services to a valuable client prospect but lost the business to a large national bank that was able to pull in high-level, out-of-town resources to close the deal? It is time for you to level the playing field.

Is it Difficult to Attract Investment Talent?

You love living in your community and serving the people of it, but it can often be difficult to attract the best talent from outside. Even if you find a qualified candidate willing to relocate, the cost may be prohibitive. According to the CFA Society of Chicago's 2015 Financial Compensation Survey, the median income for a Bank/Private Client Portfolio Manager was \$166,600. With EmeraldSpark you get a whole team for much less than the cost of one full-time portfolio manager.



Don't Want to Partner With a Potential Competitor?

It doesn't make much sense to partner with a firm that competes in the same space as you. We are not owned by another bank or trust company, nor do we use this as a platform to direct your clients' assets into our own proprietary mutual funds. We are a truly independent and objective firm.

Enhanced Reporting

With a direct data feed to your trust accounting software, Morningstar Office gives us the ability to generate detailed portfolio reviews, as well as customizable portfolio analysis and performance reports for your clients. We'll even brand them with your logo.

Compliance

The regulatory environment and the compliance requirements that go along with it are increasingly burdensome. We provide all the supporting research and documentation you need to meet your fiduciary responsibility of prudence for all investment decisions executed in your clients' portfolios.

Business Development

Just received a hundred-question request for proposal (RFP) from a local foundation? We will handle all the investment-related responses and work with you to compile the full proposal in an attractive format.

Want some backup the next time you are pitching to a major prospect? We will be by your side helping to land those big clients.

Need a speaker at your next client appreciation event? We can give the crowd an entertaining and engaging review of market and economic conditions, or a presentation on a number of other more timeless investment-related topics.

Marketing Support

We at EmeraldSpark have a great love for the pen. We know how important it is to be able to take complex investment concepts and present them in a way that is compelling, concise, and easily understood. We have an ever-growing library of original written content on a variety of finance-related topics. If you need material for a marketing brochure, client newsletter, or educational piece, we have you covered. We also have the ability to create charts and infographics to bring the material to life and can brand it all with your logo and color palette.

Communication

We produce a monthly newsletter that gives you our take on what has been happening in the economy and markets and also outlines what we expect going forward and how we are positioning portfolios accordingly. Should significant market events occur in the interim, we will issue timely research wires addressing the situation and giving you the information you need to put your clients at ease.

Reasons to Consider Outsourcing to EmeraldSpark:

- To meet the needs of a growing client base
- To build more credibility and attract bigger clients
- For the added capability of performance reporting
- In response to increasingly burdensome compliance/regulatory requirements
- For access to the marketing/business development support that we provide
- To free up more time to grow your business
- To eliminate expensive cost structures and increase profitability
- To simplify your operating model
- To broaden your investment offering
- To improve investment performance and expertise
- To offer more in-depth analysis and reporting
- As a source for answers to complex investment questions
- As a successor following the departure of a key investment staff member

Investment Policy Design

We can work within the investment policies already existing within your institution, or help you improve them or establish new ones. A properly constructed investment policy statement (IPS) serves as a roadmap to follow in the management of a client's assets, and helps us meet our fiduciary obligations of prudence.

Asset Allocation Framework

"Prudent" and "conservative" are not the same thing. It is a fiduciary's responsibility to assess the circumstances of each trust and determine the appropriate investment policy and asset mix. Asset allocation is all about building robust portfolios that are designed to weather a number of varying market disruptions. Our framework includes a long-term strategic asset allocation as well as a tactical overlay, which seeks to take advantage of shorter-term market divergencies.

Investment Selection

Our due diligence process for evaluating mutual fund managers as well as exchange-traded funds (ETFs) is both quantitative and qualitative. We subscribe to Morningstar to get access to their research and data on the fund manager universe and use that data to screen

for potential funds for our approved list. Once we have narrowed the field down to a handful of finalists, we then conduct a qualitative review of their investment team and strategy. EmeraldSpark only selects funds with processes and management teams we have high conviction in. Our equity analysis is also supplemented by Morningstar, which covers over 900 individual stocks.

Portfolio Management

With the investment policy established, the asset allocation determined, and the desired investments selected, it is time to construct the portfolio. This is relatively straightforward when starting with a clean slate, but can get complicated with existing portfolios where client-directed holdings, restrictions, concentrated positions, and tax implications must be considered. We work around these issues to build efficient portfolios in a tax-sensitive manner.

The portfolio and the underlying investments are then monitored regularly. As markets move, the risk profile tends to drift away from the desired target and rebalancing is prudent at these times. Dividends, interest payments, and bond maturities need to be reinvested and cash needs must be met. We also monitor taxable portfolios for tax-loss harvesting opportunities throughout the year — not just in December.



Flexible and Accommodating

The investment environment is continually changing. You need a much more robust investment offering in order to compete today – one that requires efficient asset allocation strategies and properly vetted investment options.

We can provide a single service or be a complete outsourced investment solution. We want a true working relationship with you, not just a contractual obligation. We will collaborate with you to understand your business and its goals, and help to find solutions to any issues you have.

Expand your investment capabilities and free up more of your time to focus on client service and business development. Form a strategic partnership with EmeraldSpark today.

About EmeraldSpark

EmeraldSpark Investments, LLC is a registered investment advisor based in Chicago, IL. We were founded by Ryan P. Layton, CFA in 2015 to provide outsourced investment management services to community bank trust departments and independent trust companies. Our investment process blends the foundations of Modern Portfolio Theory with the latest research in the field of behavioral finance. We specialize in asset allocation and investment due diligence to help provide our clients with investment strategies personalized to match their specific goals and risk comfort zone.

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