CASE STUDY

SectorQuant Capital Management: From Startup to Mid-Tier Advisor in 36 Months

Challenge

- Winning new clients and building its asset base without developing proprietary software or increasing administrative staff.

Solution

- Trust Company of America's ***TCAdvisor II*** eliminated the need for any additional software development and the firm has kept the size of its operational staff to a bare minimum, without any effect on performance.

Benefits

- Ability to execute its investment approach while leaving plenty of time to build a book of business.
- Adding clients as simple as adding name, address, birth date, and social security number.
- Business development efforts netted 120 clients and counting.

"Trust Company of America's immensely scalable solution allowed us to grow from a handful of accounts to 120 without incurring significant capital expenses for a trading desk, software or personnel."

Michael Lawrie
Principle
SectorQuant Capital Management

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SectorQuant Capital Management:
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Created to provide an alternative to standard style and sector investment choices, SectorQuant Capital Management uses global tactical sector allocation to maximize returns for its clients. By keeping nimble and responsive to the market's shifting tides, which can seemingly change in an instant, SectorQuant strives to keep its clients invested in the leading sectors of the market and out of the laggards. The firm takes the pulse of the market weekly and reallocates assets as needed. Established in 2002, SectorQuant had $28 million under management in mid-2005 and was aiming to more than triple that figure in the following three years.

Business Issue

Starting essentially from scratch, SectorQuant needed to focus on its operational efforts on winning new clients and building its asset base. Although its strategies employed active asset allocation, its principles couldn't spend days executing the necessary trades across individual client accounts. Futhermore, the firm didn't have the deep pockets necessary for developing proprietary software or building a large administrative staff.

Challenge

Winning new clients and building its asset base without developing proprietary software or increasing administrative staff.

Start-up to Mid-Tier Growth

Trust Company of America's integrated managed strategies trading platform, ***TCAdvisor II***, allowed SectorQuant to execute its investment approach while leaving plenty of time to build a book of business. Once the initial four strategies, including one based on the flagship sector rotation strategy, were designed, the firm's two principles found adding clients as simple as entering a name, address, birth date, social security number and an assortment of model allocations. If market conditions dictated a change in a strategy, a couple of clicks generated the appropriate changes across the entire client base. Meanwhile, the business development efforts have netted 120 clients — and counting.

As for the capital investments required to run the business, the trading platform's flexible format allowed SectorQuant's principles to accomplish everything they desired and eliminated the need for any additional software development. Plus, the firm has kept the size of its operational staff at bare minimum, without any effect on performance. Meanwhile, SectorQuant is free to deploy its capital on its value-add elements — research and analysis.

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