Master your models

Importance of models:

As low-cost, passive investing has grown in popularity, and as new wave of robo-advisors have come to the forefront of asset management, advisors have seen new challenges come their way when it comes to managing scale in their business. Model portfolios provide advisors with the ability to scale.

Models can be used in numerous ways. To give a few examples, you can have a few baseline models that can be used to quickly compare against a prospects current portfolio and immediately show where you as the advisor would add value (See our Prospecting Methodology for more details). Another way models can be used is to create "benchmarks" for your firm to measure portfolios against.

1: Build

Kwanti simplifies the process of building and testing your models. In addition to the marketplace of 100's of models we already provide, Kwanti allows you to easily add your own models.
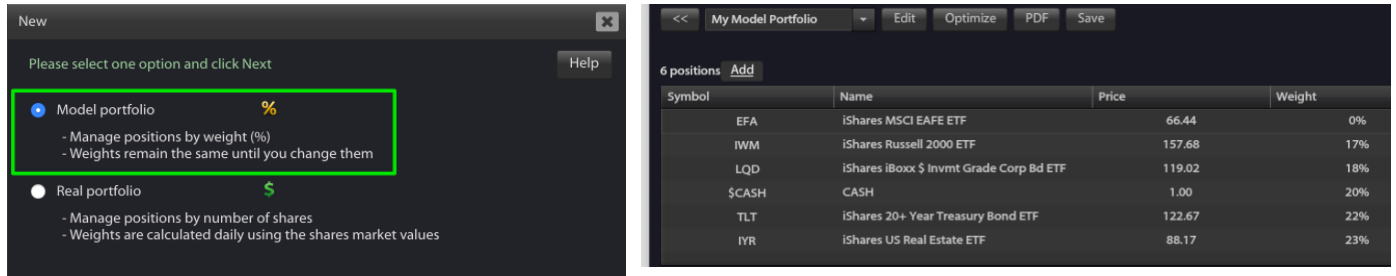
In Kwanti, Model portfolios use the following features
- the positions are defined by weights (%)
- weights remain the same until you change them
- the portfolio has no specific value
- useful for hypothetical portfolios and historical tests

There are two ways to create a model portfolio.

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a. Manual entry

Kwanti make it easy and simple to create a model portfolio by hand. Simply name your model and add the positions and weightings of your choosing.
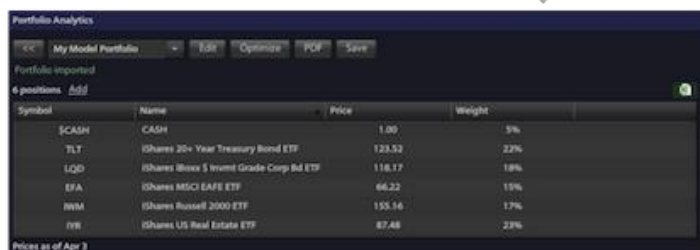

b. Import

To import a model portfolio, it is as easy as saving a .csv file, and using Kwant's import feature to add it to your database.
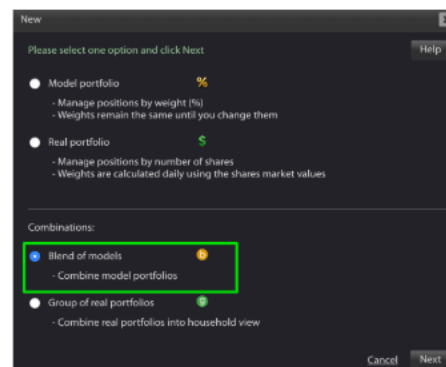
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c. Custom Assets

Kwanti presents detailed asset allocation with drill-downs, performance and risk metrics backed by institutional-grade data which includes US stocks, US ETFs, US Mutual funds and all major Indexes. However, if there is another asset that you would like to add to Kwanti, you have the ability to to that as well.

For example, you may want to have a fixed income model that uses a specific individual bond that you track. You have the ability to add that bond to your own Kwanti database, update the returns on an ongoing basis and use the position in any of your models or portfolios.
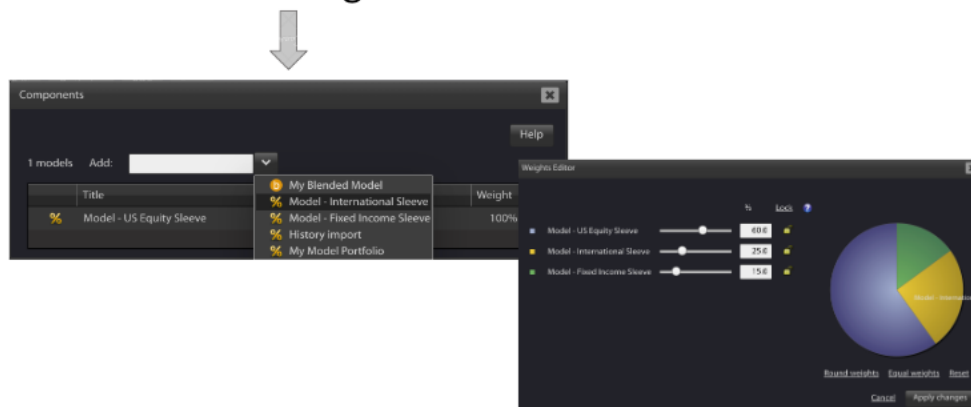
d. Blended Models

Kwanti give you the ability to blend your models. A blend is a combination of models, with a weight assigned to each model. To create a blend:

3. Analyze your blended model

In addition to standard model portfolio's, you can also build a blend using models imported from partners as well as models imported with custom history.

2: Marketplace Models

Kwanti has developed relationships with numerous partners that provide our advisors with models which all users have access to. These models are refreshed automatically whenever the provider updates the models. Our marketplace includes over 300 models from LSA as well as models from Blackrock which include both Allocation ETF's and Target Income ETFs. For example,

- Allocation ETF 0/100
- Allocation ETF 10/90
- Allocation ETF 20/80
- Allocation ETF 30/70
- Allocation ETF 40/60
- Allocation ETF 50/50
- Allocation ETF 60/40
- Allocation ETF 70/30

- Allocation ETF 80/20
- Allocation ETF 90/10
- Allocation ETF 100/0
- Target Income ETF Aggressive
- Target Income ETF Core
- Target Income ETF High
- Target Income ETF Moderate

We are always looking to expand our partnerships to bring more options to our model marketplace for benefit of our users.

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3. Share Models within Firm

Some firms like the ability to create their own "model marketplace" that is solely for their own advisors. We make this as easy as possible by creating custom links between your firms Kwanti accounts to share whatever level of information you would like.

For example, if an advisor or analyst in your firm is responsible for creation of model portfolios, he/she can make these model portfolios automatically available to you.

When an advisor shares portfolios with you, these portfolios are marked Shared in the portfolio list. These portfolios will automatically be refreshed and updated when the owner makes changes to them. In the example below, the first three portfolios are shared:

Type	Title	Modified	Notes	Shared ▾
%	Aggressive model	09/09/15	Agressive model portfolio	✔
%	Conservative model	11/10/15	Conservative model portfolio	✔
%	Balanced model	03/17/13	Balanced model portfolio	✔
$	Donna Schmidt	11/13/15		
%	Current Portfolio	04/13/15		
$	John Reagan	10/20/12		
$	Dylan Wood TRUST	07/05/14		
$	Rosen IRA	03/30/16	Prospect	
$	Joe Cirwic 401K	02/06/13		
%	Proposed Portfolio	11/11/15		

Where to go from here?

In part 2 of our Methodology series, we detail how you can use models and other Kwanti features to convert more prospects to clients!

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