



## Solution Overview

# Portfolio Suitability

Firms regulated by FINRA must ensure investment strategies and transaction recommendations and executions are suitable based on the client's profile. Unfortunately, the suitability process has traditionally been onerous and time-consuming for supervisors and compliance personnel.

Conducting portfolio suitability reviews manually is a frustrating exercise for many firms. With traditional manual processes, reviewers must gather information from disparate sources and analyze records individually. It can be difficult to track, review, and maintain this information – much of which is paper-based – and to document reviews. Compounding the problem, manual review processes are fraught with the potential for oversights and human errors. Fortunately, there's a better way.

## Proactive Management of Broker-Dealer Client Relationships for Auditing

ComplySci's Portfolio Suitability solution helps supervisory personnel and compliance professionals automate the analysis of client and household investment profiles for suitability, comparing profiles against client holdings and transaction records. In addition to facilitating ongoing portfolio suitability monitoring, this easy-to-use solution also helps ensure the firm has adequate regulatory compliance documentation to show there was a reasonable basis for suitability. In the case of questionable transactions, the Portfolio Suitability solution helps firms identify issues that require attention quickly so they can be addressed as appropriate.

## Product Highlights

- **Automated Workflows.** An end-to-end compliance workflow that streamlines portfolio reviews while decreasing the risk of bottlenecks or unnecessary delays.
- **Audit Trails.** Using ComplySci's Portfolio Suitability solution provides managers with process transparency and complete audit trails.
- **Case Management.** When a transaction's or portfolio's characteristics are out of sync with the client's investment portfolio, reviewers can initiate cases and track their activities directly in the system.
- **Reporting and Insight.** Users and supervisors can generate on-demand, custom reports designed to facilitate the suitability review process, in addition to reviewing client profiles and exception management activity.

## Portfolio Suitability: DAILY ALERTS

Dashboard	Exceptions	Guidelines	Transaction/Holding	Client Details	Custom Reports
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13,291 TOTAL UNRESOLVED ALERTS

233 TOTAL DAILY ALERTS	233 UNRESOLVED ALERTS	103 RED ALERTS	130 AMBER ALERTS	0 YELLOW ALERTS		
Jan 15, 2019	44	Account Risk Tolerance Vs Security Investment Objective	130	Annual Income Vs Net Worth	0	No Yellow Alerts Generated
	23	If any of the below client data points are missing at the time of a transactions, generate an alert				
	16	Security Investment objective is Speculation and Liquid Net Worth is less than \$___				
	10	Security Investment objective is Short term Growth and Liquid Net Worth is less than \$___				
	10	Security Investment objective is Long term Growth and Liquid Net Worth is less than \$___				

Quickly understand the level of threat an unresolved alert means to your compliance program.

## How It Works

Using the ComplySci solution gives firms the ability to proactively manage the account and portfolio suitability process. Information is captured and stored in one central location, streamlining the review process. Documentation of portfolio suitability is then readily accessible at any time for internal or external regulatory compliance audits.

ComplySci's Portfolio Suitability offering provides a proactive management solution where busy compliance personnel are able to:

- **Document changes in real time.** Alerts on client accounts can be notated and saved within the individual client's record. This preserves records for audit purposes.
- **Establish universal guidelines for review**, including age, risk, net worth, and more. Your firm gets to set its own parameters, identifying criteria for what constitutes suitable – and unsuitable – transactions.
- **Prioritize rules and alerts.** Your firm can define what should be flagged as exceptions and what happens to those exceptions once identified.
- **Bulk-resolve exceptions across multiple accounts.** After reviewing and making a determination on exceptions, reviewers don't need to manually resolve the same exception for multiple accounts. When appropriate, reviewers can mass apply the same resolution and comments to multiple transactions and accounts.
- **Filter and export.** Reviewers can filter exceptions by incident type and bulk export for audit reporting purposes. This allows your firm to provide only the limited information auditors request, limiting the risk that you'll inadvertently provide auditors with other potential issues.
- **Run reports in a timely manner.** Your firm can establish a regular reporting schedule, such as daily, monthly, or quarterly. Of course, users will always have the ability to generate ad-hoc, real-time reports.
- **Flexible and configurable.** Firms using ComplySci's Portfolio Suitability solution can create custom systems configurations designed to meet individual business needs and make portfolio suitability reviews as user-friendly and intuitive as possible. You can pre-populate case files, choose how and when alerts will be generated, establish access and supervisory hierarchies that make sense for your business, and more.

## Improved Clarity and Management of Client Profiles

Using ComplySci's Portfolio Suitability solution also eliminates issues inherent in paper-based processes, such as backlogs of files for review, management and storage of vast amounts of information created, conduct and document such reviews, as well as manual audit preparation.

With the centralized storage and simple, customized reporting capabilities inherent in ComplySci's Portfolio Suitability solution, broker-dealer firms and their personnel have a powerful tool at their fingertips. Users can find specific client profile information with just a few mouse clicks, document account exceptions, and easily identify when a portfolio's holdings or an account's transactions fall outside of established suitability parameters. It's also easy to compare alerts to the portfolio's or account's profile, so reviewers can quickly understand the reasons behind exceptions.

At ComplySci, we understand that broker-dealers each have their own way of doing things. With easy configuration options, you can make the most of the resources you have allocated for portfolio suitability reviews – while being confident you're taking reasonable steps to meet your regulatory obligations.