

# Making sense of portfolios

*While investors already diversify their assets across multiple institutions and advisers, they face big challenges in trying to make sense of their portfolio and overall holdings. Tanmai Sharma, chief executive officer of Mesitis, says there is a solution.*

Ask any investor about which of their bank accounts out-performed last year and chances are that nine times out of 10 they won't be able to give you a straightforward answer.

Their wealth managers also struggle to provide up-to-date data to their clients.

Clients are risk averse and tend to spread their investments across multiple bank accounts. Each bank in turn sends a monthly paper statement to the client. Unfortunately, the fact that these statements are not electronic and in different formats makes getting a consolidated, single portfolio overview across all accounts much harder than it should be.

The human brain was not designed to handle large amounts of numerical data. For example, manually monitoring a portfolio consisting of more than a handful of securities isn't easy. A bond could get called, or mature, or fall

sharply following adverse news and the investor may not be aware of it.

What clients need, instead, is a way to automatically consolidate all of their bank statements in one place. This data then needs to be presented such that critical information is prioritised. This is the point at which Tanmai Sharma, chief executive officer of Mesitis, gets excited. The company is part of the digital evolution taking place in wealth management and uses smart software to consolidate and present an individual's financial holdings in a visually stimulating and informative way.

"I see us as a data visualisation system," says Sharma. "I am here to help a customer make sense of his or her data and make decisions based on it."

## UNBUNDLED VALUE

With almost two decades of experience on the trading floor focused on structured products, and armed with a



**TANMAI SHARMA**  
Mesitis

degree from the Indian Institute of Management in Ahmedabad, Sharma founded the company to solve problems he himself faced as an investor.

"I was looking around town for a place where I could get institutional-level execution but bank-level custody, but that didn't exist," he explains.

So, being well-versed with execution platforms and having an intricate understanding of execution costs, Sharma set up Mesitys.

The company was originally conceived as a low-cost asset management and investment platform for Accredited Investors (individuals with the equivalent of at least S\$300,000 in annual income, or S\$2 million in net assets).

In the process of formulating its services, Mesitys developed a software platform which compiles and consolidates financial data for the clients, across all asset classes and currencies, bundled with the execution platform.

Clients then started to ask for the software on its own, leading Sharma to split the offering and unbundle the two components of his proposition.

"Now, we have two distinct products offered out of two different legal entities," he says. "One is the regulated entity which only does transactions; the other is the software entity which only provides information."

### DATA CHALLENGES

Inevitably, a key challenge Mesitys faced, admits Sharma, was access to data. In the US, for example, it is relatively straight forward to get an electronic data feed directly from a bank. "In Asia, banks are more hesitant."

On request, Asian banks are generally able to provide PDF statements. Unfortunately, PDF is not a format designed for data processing. So Sharma

and his team built a technology solution around that; Mesitys' software first extracts the data from whatever electronic source (typically PDF but can also do CSV, SWIFT, etc), and it then applies an algorithm that "puts the data in the right box".

### ACCOUNT RECONCILIATION - ACCURACY NOT TAKEN FOR GRANTED

The next step is to aggregate and re-consolidate the data into a single report, and it was here that a surprise finding came to Sharma.

Sadly, it turns out, bank statements are not immune to the occasional error. This inconvenient fact was unearthed during Mesitys' reconsolidation process; a rule-based algorithm set up by Sharma's team with a combined 75 years financial industry experience.

Once an error is found, with client permission, the team works to fix the error directly with the banks issuing the statement. Sharma considers this a pivotal point of customer service; customers are happy and relieved when the errors are discovered and rectified.

### MAKING THE MOST OF THE POTENTIAL

Mesitys delivers the final report over a web browser in the form of an interactive web application, rich with analytical tools. Sharma believes the data Mesitys provides to clients is more informative. "We are going out of our way to make sure the data is complete. We are not sending clients a deluge of information. We try and give them information in an actionable format."

The market for the service which Sharma offers is growing, and he says he is signing-up clients quickly.

### How Mesitys account consolidation works

- **Upload** - Customers send any number of bank and financial account statements in PDF, CSV, etc in electronic format via upload to Mesitys' secure cloud (recommended) or email. Mesitys can handle all asset classes and currencies
- **Consolidate** - Uploaded statements are anonymously processed by Mesitys' proprietary data extraction and consolidation engine. Processed data is usually accurate to the cent
- **Report** - The final consolidated report is generated in a secure web browser. The graphically pleasing report is accessible from any PC, tablet or smartphone, with a full suite of interactive analytics included

Along with individuals, he is adding wealth managers, who use his platform to offer the much-needed service to their clients. "Account consolidation is the number one request that wealth managers receive from their customers," he explains.

"However, the traditional back office manual process is slow and expensive, resulting in the service only offered to their top clients. We are a solution to these wealth managers as our automated platform can process any large number of customers, quickly, accurately and at an extremely low cost." ■