Silex — When technology helps you build better portfolios

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How do you help wealth managers?

Silex is a Swiss company based out of Geneva. We are five years old now, and we have about 90 employees. We help wealth managers by providing them investment solutions in the form of structure products, thematics, AMCs, and mutual funds, through our asset management arm. Specifically at Silex, we believe that we can use technology to assist our partners and we do that by providing adversary on portfolio construction, portfolio allocation, products, in order to give confidence and conviction in our investment proposals.

What specific problems are you solving?

What we hear from the wealth managers is that the markets are getting extremely complex. The clients are more demanding, and all that is done with margins under considerable pressure. What we want to help them do is to gain more efficiency in their investment decisions. So how do we do that? We help them screen, allocate, optimise, and track their investments through Silex technology.

Where does Tech fit into those solutions?

Technology is really a part of the Silex project from the very beginning. Actually, the very first employee of Silex was an engineer and one of the co-founders is also a mathematician and engineer. We strongly believe that in today's investment views, investment world, you have to get help from technology. How does it fit? It doesn't fit in the model of a robo advisor. We don't really believe in that. The Silex model is basically augmenting the man with the machine. It really is a coupling of the man and the machine to make better investment decisions. So where does the machine fit into this model? Essentially today in the very happy and global world that we live in, the machine has the ability to consume and to process and analyse vast amounts of data.

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It's data about markets, about companies' financials, about trends, about any criteria. We are currently enriching our platform with environmental sustainability criteria as well. You need the machine to be able to quickly process and spot this information. And this information then is used to provide you with a view of your current allocation, your current investments, and how you should reshape follow, hack or adjust your allocation in order to stick more to the mandate and the performance expectations that your clients have.

At Silex, we have developed an internal platform called Spark. It's a series of tools, which are used internally in order to provide advisory on portfolios. Very concretely, our clients provide us with portfolio information and using the Spark suite, we can analyse the portfolio, detect the style of investment, the risks, the concentration, that as a portfolio manager, you are not always aware of. And through this information, we can then allow you to optimize your portfolio through our convictions, your convictions, and this vast amount of data that we have collected.

We are running optimisation algorithms, we are running transparency algorithms to explain how complex investments like structure products, like funds are

actually behaving and contributing to your risk. And we run this series of very complicated algorithms and our experts will deliver that information to you, help you understand where you are and probably what are the next investment decisions that you should take in the form of swapping funds, buying some products to balance some of the allocation.

What are some of your priorities for the year ahead?

We are quite excited because we are going to release, in the next few weeks, a new platform called My Spark. Spark is more a collection of tools that we use internally to help our clients but feedback we had from our clients is that they would like to be able to consume also, and to use certain of those tools. We have been working very hard this year to build this web platform, it's called My Spark, it's a web application that all of our clients can access. And this platform is focused on real-time reporting of your investments. The first step in that platform is the ability to collect, in one view, all the structure products, whether they have been invested through Silex, you can also upload other investments, you have made through other providers and give you this real-time analysis of

where your portfolio stands. What is the valuation? What products are getting close to a buyer, getting close to expiry? When can you expect an early redemption coupon to be paid? It really gives you transparency on those complex structured products.

It's also a transparency in the real-time that we give you on the EMC's investments you have made with Silex. For example, when you have invested into Temarex, you want to understand how their performance is moving. What are the top contributors? What are the top positions? The idea is really to deliver all these online directly to our clients. As a nice twist, we have added a white labeling possibility. It means that as a wealth manager, the reporting that you get on our platform, can be white labeled to your logo, to your graphical style in order to directly bring that to your clients. The next steps for us, the next priorities now, are to bring the power of Spark of those algorithms on the digital platform. We are finding a way to take those algorithms and to make them follow automatically your portfolios and give you advice and notifications on when to take an investment decision. And we believe this is very complementary with the human advisory approach that Silex has always advocated. ■