

Case Study

“From where Genesis started to where it is now, I really give a lot of credit to the visionaries who wrote out the roadmap, it is extremely impressive.”

Duane D’Orazio, Co-Founder, Managing Partner and Chief Compliance Officer, Conestoga Capital Advisors LLC

PROFILE

Client: Conestoga Capital Advisors LLC

Location: Wayne, PA
(Greater Philadelphia Area)

Description: Asset manager specializing in micro-, small- and mid-cap growth equity strategies

AUM: \$7 billion+

BACKGROUND

- SS&C Advent client since 2005
- Served as a beta client for Advent Genesis prior to launch in 2016 and has been influential in the evolution of the platform
- Firm saw value in integrating analytic capabilities into portfolio management decisions

SOLUTION

- Advent Genesis
- Advent Portfolio Exchange (APX)
- Moxy

For Conestoga Capital, an asset manager specializing in small- and mid-cap equities, technology is a strategic differentiator. “We’ve had a philosophy of investing in technology rather than going out and hiring a lot of people with overlapping responsibilities,” explains Duane D’Orazio, Co-Founder, Managing Partner and CCO. “That’s really been crucial to how we operate. That probably makes us different from other firms at our asset level, who might have twice as many people.”

Conestoga’s technology strategy enables the 100% employee-owned firm to manage just over \$7 billion in assets across four SMA strategies and four mutual funds with just 16 associates.

Conestoga has been an SS&C Advent client since the firm’s founding, and today runs a full complement of asset management solutions encompassing portfolio management, accounting and reporting,

trade order management, and revenue management. The firm has also partnered with SS&C Advent in beta testing of new applications. “In our relationship with Advent, we have taken the view that if there’s a new product on the horizon, we want to be engaged,” Duane explains. “We’ll spend the time and effort to be a beta client, with the goal of having some influence over the product as it’s being built out.”

Watching the evolution of Advent Genesis

A prime example was Conestoga’s participation in the development of Advent Genesis, the cloud-based portfolio management platform initially launched in 2016. “We’ve worked closely with the Genesis team for many years,” Duane says. “They were very receptive to our requests. The goal from our perspective was to make

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it as easy and intuitive as possible. At a firm our size, the portfolio managers wear many hats, and if they need to go in to rebalance a portfolio, they need to be able to generate the orders efficiently and accurately, without a lot of complexity.”

Controlling portfolio dispersion with Genesis Portfolio Analysis

More recently, Conestoga served as a beta client for Genesis Portfolio Analysis, an analytics module within the platform to complement its portfolio management functionality. Augmenting the dependable accounting data from SS&C Advent, Genesis Portfolio Analysis enables teams to analyze, understand and explain their exposure and the drivers of performance.

“For us, the Portfolio Analysis capability is a way to identify outliers,” Duane says. “If an account has a cash position that is out of balance versus the model, or if an individual security position is either overweight or underweight, we want to have a way to identify that.”

Managing outliers is important for minimizing dispersion in the firm’s composites for performance reporting, Duane explains. “We need to get it right at the portfolio level, because then it rolls up into the composite. Maintaining the integrity of composites and keeping the dispersion as low as possible is critical to us. That’s something that is audited every year and it’s what we present to institutional consultants.”

The module enables portfolio managers to not only identify outliers easily, but to take corrective action immediately. “There’s a trade tab built right in,” Duane says, “so you could be on an analytics screen looking at portfolio weightings, and then initiate a trade right from that same page. You don’t

have to navigate into another system—which is fantastic. It all comes back to efficiency and ease of use.”

Duane sees tremendous potential in Portfolio Analysis for Conestoga. “We can bring in performance attribution and contribution, and see immediately what’s working and what’s not across a portfolio on a daily basis. We want to be able to present that analysis to our institutional clients and our mutual fund board. That’s definitely an important aspect of this capability.”

SS&C Advent continues to innovate

Looking at the Advent Investment Suite as a whole, Duane is impressed with the way it has kept pace with the firm’s growth. “The integration of the different Advent products is extremely important to how we operate,” he points out. “The user interface has definitely evolved in the right direction and is at a very good level now. The speed of the platform has improved over the years with every release. And the data integrity is important, too, getting the custodial data feeds every day and knowing that we can be reconciled by 9:15 every morning.”

The firm also values the responsiveness of the support team. “If we have questions, we can reach out and we have a resource immediately on demand that can help us.”

Staying engaged and current on new products and updates is a key part of Conestoga’s technology strategy. Duane feels SS&C Advent is doing a good job of keeping the firm informed on its future plans. “Through the years we’ve had a great dialogue with everyone from the product development team to our client service representatives,” he says. It’s been a good relationship.”

BENEFITS

- Ability to identify outliers in a portfolio and take corrective action immediately
- Contribution analysis to identify sources of performance
- Ability to present and explain impact of investment strategies to institutional clients, consultants, and mutual fund board
- Business intelligence across strategies, portfolios, and customer segments
- Efficiency and ease of use across the Advent Genesis platform

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