

Grow Your Trust Business by Leveraging Your Brokerage Relationship



It is increasingly challenging to stop the flow of cash heading out of your bank as clients shop for higher rates of return found in investment products offered outside of traditional bank settings. Leveraging a relationship with a full service brokerage firm can help your trust department better service your clients by offering a full menu of investment products without taking your clients out of their trusted community bank. Benefits of working with a brokerage firm for your trust department include support in year-end reporting, consolidation of positions, greater trading agility, and the ability to offer full service to equity oriented clients.

Unlike sub-advisory relationships, your relationship with a brokerage firm can offer you the autonomy to continue to advise your clients while having a source for research, operational support, and trade execution. While working with a brokerage firm, the relationship between your client and your trust department can be preserved- all documents can still be directed to the bank and, in turn, you can continue to make reports to and directly service your client. Leveraging your relationship with a brokerage firm is an important service solution for many banks with equity oriented accounts and trust departments focused on growing and acquiring new customer assets.

Many trust departments have their client's mutual fund positions divided among a wide variety of fund companies. We can help you by consolidating those positions into brokerage accounts to simplify your trust department's accounting and operational process or, if you prefer to maintain mutual funds shares directly at the fund companies, we offer free access to a portal that provides access to most mutual fund companies. This portal allows you to invoke information by client social security number and view all positions for each client as well as view daily activity and broader positions from each fund family. This portal is updated daily and can be accessed by you and your broker simultaneously. Utilizing this portal, we can assist you with basic transactions, such as redemptions and exchanges.

It is important that the brokerage firm that you choose is experienced in dealing with banks, is able to offer references to support claims of experience, and is familiar with banking laws applicable to you. Your broker should be able to customize the service that they offer to support your trust department's growth initiatives and unique needs. Not every brokerage firm offers the same services, so it is wise to determine what aspects of the relationship are most important to you. For example, consider the following questions: Are you purely driven by the price of execution? Is it important to you that your brokerage relationship offers technology to support your operations and accounting? Will your account(s) be subject to annual fees? Will you have access to Morningstar, research, and quotes? Will you have support from and access to a dedicated representative? Do you need the assistance of your brokerage firm as a custodian?

Leveraging a relationship with a brokerage firm could be a critical aspect of your trust department's ability to retain and attract client assets. We think it is vitally important that the services your brokerage firm offers are flexible, responsive, and tailored to fit your need and goals to ensure that you can maximize the relationship and generate growth.