



MUTUAL FUNDS

Sister Broker/Dealers Are First To Use The New Mutual-Fund-Only Platform

FundKeeper allows for the “ease and transparency of a brokerage account with the cost structure of direct business.”

Michael Thrasher | Sep 28, 2017

Two sister broker/dealers will be the first to use a new mutual-fund-only platform that hits a sweet spot between brokerage accounts and direct business.

CUSO Financial Services (CFS) and Sorrento Pacific Financial (SPF), both full-service broker/dealers headquartered in San Diego, launched fundVISION in August, a white-labeled version of FundKeeper, a mutual-fund-only platform developed by U.S. Bancorp Fund Services and Envision Financial Systems.

The new system allows mutual-fund-only accounts to be added with the ease and transparency of a brokerage account, but also the lower cost structure of direct business.

It also effectively eliminates the onerous “check and app” process for mutual fund investors and firms, which have “trouble monitoring it on the front end and gathering it on the back end,” according to Kelly Lynch, senior vice president of Envision Financial Systems. Since the transfer of funds and account applications are done digitally on the platform, that can now be resolved.

The FundKeeper platform also enables advisors to consolidate multiple fund families within a single investor’s account, simplifying diversification of the funds, statements and tax documents. Otherwise, an investor would have multiple direct business accounts. Through the platform, money can be invested faster and numerous fees can be reduced or eliminated.

Envision Financial Services is not the only company that offers mutual fund recordkeeping, but the opportunity for its FundKeeper platform is expansive. Lynch said the only brokerages that would see little or no value in the platform are the larger broker/dealers that offer a long list or the so-called “omnibus” of services, including their own clearing. They have their own systems in place and little need for something like FundKeeper.

However, most b/ds don’t do their own clearing so the number of firms that could benefit from a more efficient platform to manage mutual-fund-only accounts is large.

Lynch also said that while direct business has its drawbacks, the Department of Labor’s fiduciary rule has made brokerages “uncomfortable” taking on mutual-fund-only accounts. For the first time, there is now a third option in the FundKeeper platform.

“We’re the only ones playing in that space right now,” she said.

Monica Daggs, the chief administrative officer at CFS, said the brokerage was building its own platform similar to FundKeeper but ceased development when it found out Envision was working on something similar. It then began working on a version of FundKeeper integrated with the brokerage, as opposed to Envision’s out-of-the-box platform.

She said the two brokerages, which together have a total of about 500 advisors, were comfortable being the first firm to integrate and use the platform.

“We’re always looking for the new technology and either build it ourselves or worked with others, so we’re used to that,” Daggs said. “We don’t take a lot out of the box here at CFS.”

In the first week the platform was rolled out, Daggs said 75 accounts had been added to the platform and at a recent event, advisors were dumbfounded on how easy it was to open accounts relative to the old process.

CFS and SPF were recently [acquired by Atria Wealth Solutions](#), a new a wealth management holding company launched by Doug Ketterer, former head of field management at Morgan Stanley.