



Quarterly Interest

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Alesco partners with American Heart Association and Golisano Children's Hospital

Alesco Advisors joined forces with the American Heart Association during the 2016 holiday season in providing new iPads for use by the physicians and staff of Golisano Children's Hospital on the University of Rochester Medical Center campus. Recently a group of Alesco employees met with several Golisano Children's Hospital physicians and administrators, and received a tour of this amazing facility.

The hospital offers a full range of intervention procedures for patients with congenital heart disease — seeing more than 6,000 patients a year. The new iPads will be used by the hospital's staff when discussing a diagnosis with patients and their parents, enabling them to show various diagrams and 3-D images of a heart, which will help to better explain the issues these families face and the options they have available to them.

All of us at Alesco Advisors are proud to collaborate with the American Heart Association and UR Medicine, to make a difference in the lives of these children and their families, and to improve our community in the process.

IN THE NEWS

Alesco promotes Burke to Vice President

In February, Alesco promoted Susan M. Burke, PHR, to Vice President of Administration. As head of Alesco's administrative effort, Susan now oversees the firm's financial, human resource, and client service support functions. Susan also manages Alesco's facilities.

Susan joined Alesco in 2009, during which she managed billings and operations for the company among other duties. She was promoted to Client Service Specialist in 2011, and most recently served as Human Resource Manager, a position she had held since 2013.

Prior to joining the firm, she spent 13 years at HSBC Bank. She is a graduate of Nazareth College with a Business Administration degree and also holds her Professional in Human Resources (PHR) designation from the Human Resource Certification Institute.



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Alesco recognized as ‘Top Guns’ manager by Informa Investment Solutions

Alesco was named a “Top Gun” by Informa Investment Solutions. Our Global Balanced Portfolio (ETF Global Balanced Universe and Global / Intl Balanced Universe) has been designated with a six-star rating — the highest available — within Informa’s PSN (Plan Sponsor Network) manager ranking database for its performance during the second, third and fourth quarters of 2016. This signifies that it was among the top 10 performers within one or more peer groups reporting to PSN, the longest-running investment manager database in North America.

Utilizing a proprietary blend of Informa’s top priority performance screens, PSN Top Guns quarterly performance rankings are tabulated for thousands of strategies across 58 peer groups subdivided by increasingly rigorous screens, and reported in classes from 1-6 stars, indicating a fund’s continued performance over time. The funds must have returns greater than the style benchmark for the three latest three-year rolling periods. After that, Informa selects only the products with a standard deviation for the five-year period that is equal or less than the median standard deviation for the peer group. The top 10 information ratios for the latest five-year period then become the Top Guns.



“We are proud to have achieved Top Guns status within the Informa Investment Solutions’ PSN manager ranking database,” said Todd Green, Alesco’s Chief Investment Officer, “and believe this is a by-product of our ongoing research efforts that revolve around proper asset allocation, broad levels of diversification, and cost control.”

Investors benefitting from mutual fund, ETF and discount broker fee wars

We have been watching the recent mutual fund cost-cutting battle with great interest, as several asset managers have dropped expense fees on numerous index and exchange-traded funds (ETFs). Industry leaders such as BlackRock iShares, Fidelity, Vanguard and Charles Schwab all announced reductions in the last several months.

Similar trends have happened more recently in the discount online brokerage market as Charles Schwab, Fidelity, TD Ameritrade and E-trade all announced substantial discounts in their index, ETF and individual stock trading.

The resulting price war – which many are describing as a “race to the bottom,” is welcomed by institutional and individual investors alike, as lower fees often lead to higher portfolio returns and better value.

Still, it’s important to not focus solely on fees when reviewing index and ETF options. “I think investors should look beyond the expense ratio,” said Todd Rosenbluth, director of ETF and mutual fund research at CFRA Research, the world’s largest provider of institutional-grade independent equity research, during a recent CNBC interview. “The underlying index matters.”

We agree, and as Alesco’s Senior Portfolio Manager Chris Mirrione indicates, “in addition to expense ratio, other key criteria in our evaluation of funds include product structure, indexing methodology, transparency, trading volume, tracking error, turnover and style drift.”



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