

Metropolitan Capital Plans Institutional Run

Asset manager hopes investors flock to its “loss avoidance” strategies

By [Jakema Lewis](#)

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Metropolitan Capital Strategies (MCS) has found its footing in the wealth management space, but in the years ahead, the woman-owned business enterprise has its sights set on breaking ground in the institutional space, and increasing its presence in the broker/dealer and private client markets, **Sharon Snow**, CEO at the firm told *IMW* in a recent interview.

“We’re always trying to augment our firm,” she said. “Our growth will come in three areas. First, from private clients. Second, we are getting on broker/dealer platforms. The third area we’re growing in is institutional foundation and endowment business.”

To help facilitate the growth spurt, the Manassas, Va.-based firm intends to bring on another professional to assist its President and CIO **David Schombert** on the money management side, she said.

More presently, however, MCS has been pounding the pavement to get on the radar screens of institutional investors. As Snow puts it, the firm is in “the initial stages” of road showing, but is being met with a healthy appetite from prospective clients.

“We’re starting with the consultants that focus on emerging managers,” she explained, many of which have a pool of money—typically labeled opportunity, tactical, best ideas or absolute return funds. “They are actively looking for solutions in that space to augment their returns. There are definitely pots of money. The consultants and clients realize that getting a 10% annualized return on the S&P is going to be difficult. It’s been difficult for the last 10 years. More importantly, it’s going to be difficult in the next 10 years.”

The firm, which opened its doors to clients in 2007, currently has two strategies in play-- a tactical growth fund, which is touted as its flagship product, as well as a tactical moderate fund. Both products are comprised of exchange-traded funds (ETFs) and will

be pitched to the institutional side.

“The unique thing about our strategy is our portfolios only have one of two characteristics,” the former second VP of Wealth Management at **Citigroup Global Markets**, explained in a phone conversation late last month. “Either we’re fully invested in the ETFs that we believe are going to give us a 10-20% upside during that time period. Or we’re 100% in the lowest risk class, which during the financial meltdown has been money markets.”

The product has a five-year portable track record, two of which is from the **Smith Barney/Citigroup** side, Snow noted. The firm has \$86 million in assets under management.

Going forward, MCS may choose to bet on a currency, bond or commodities ETF, but Snow emphasized that the firm has the flexibility to go into any asset class in any point and time.

“We are not tied into managing money based on tracking a benchmark like a large-cap, international or bond manager,” she said. “That flexibility is what has allowed us to have 100% return over the last five years, versus a long/only domestic manager at best, or even an international manager.”

Little Tolerance for Losses

What the **University of Maryland** graduate does want prospective clients, institutional and private to know, is that the firm does “not tolerate losses.”

“We have a loss avoidance strategy within our main strategy. We believe it’s been very effective in the past, but what people should focus on is their returns and what they need for their portfolio, and how they can achieve that.

“I think that our strategy is very unique,” she continued. “It’s a risk management strategy and MCS believes that we provide two services for our clients, while most money managers only provide one service. In our opinion, all money managers make money when their respective market or benchmark increases, and they may make slightly more than their benchmark. But the service that we provide is that once we make that money, we lock it in and we keep it. So the protection of the portfolio is extremely important in our mind. Whatever type of client that they are, they should look at getting both services provided.”