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## FinTech: How This Canterbury Native Could Help You Retire Early

By Erica Swallow Special to the Union Leader Jul 28, 2019 Updated 7 hrs ago



Astrocyte Research founder and CEO Sean Kruzel presents at the FinTech Sandbox Demo Day in Boston.

COURTESY/FINTECH SANDBOX

Confused about how to invest your retirement funds? Or have no clue what your financial adviser even does with your money? You may want to check out what Canterbury native Sean Kruzel and his team are working on.

“Sean was incredibly precocious right from the get-go,” said Martha Cloutier of Meredith, speaking of Kruzel in his younger years.

Cloutier has known Kruzel, Astrocyte Research founder and CEO, his entire life, and she also happens to be a happy user of his company’s latest financial technology product, Portformer.

The product enables individual investors to save money in retirement fees, so they can get a bit faster to that cozy villa in Florida – “or ski house in Vail!” Cloutier adds.

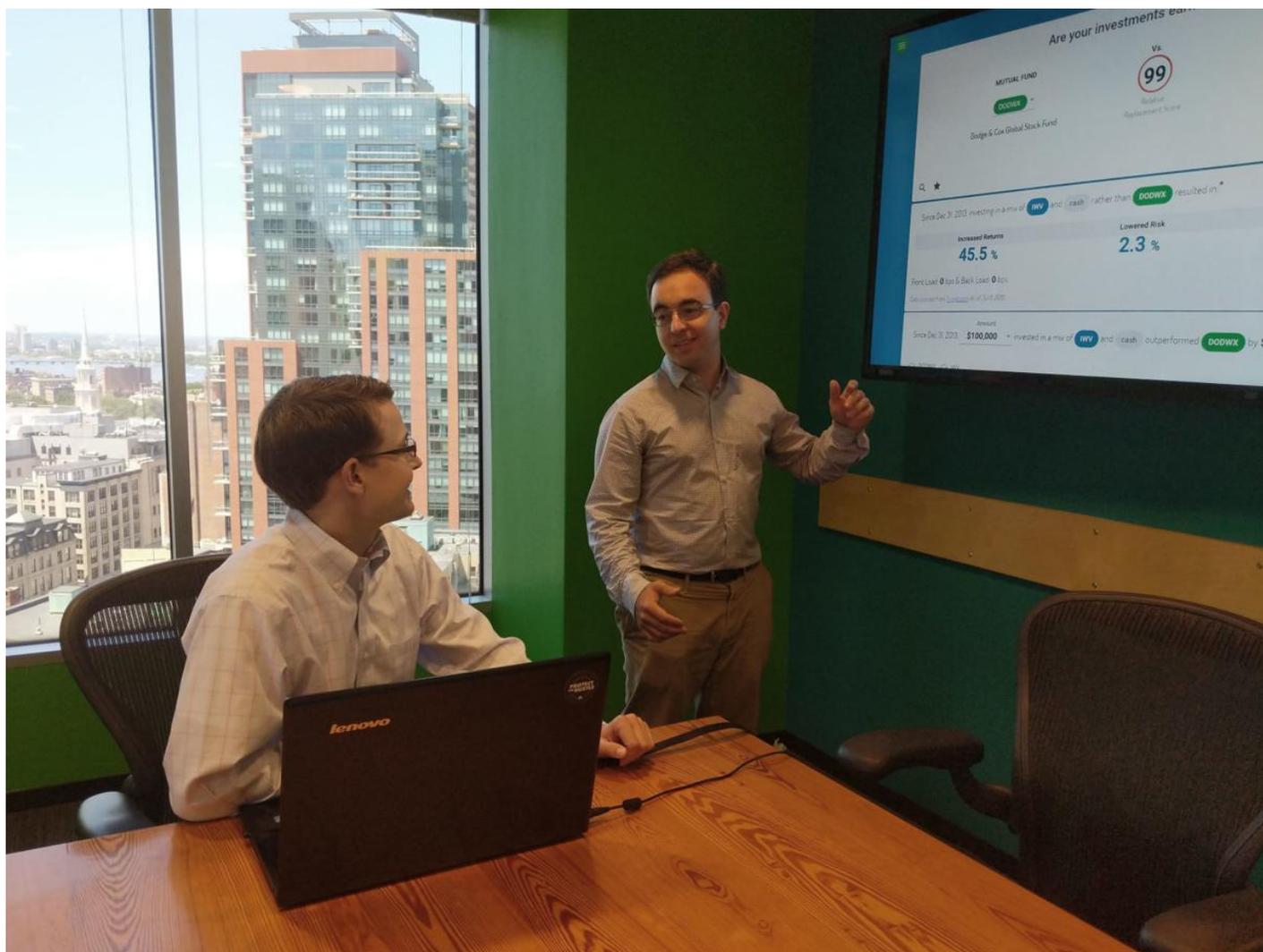
After Cloutier’s longtime financial adviser retired, she started working with a new adviser, but wasn’t quite sure if her money was being put to its best use.

“It felt like I was just giving my portfolio over and taking the adviser’s word for it,” said Cloutier, who works as a paralegal at Tarbell & Brodich in Concord. “It’s a bit of a Catch-22. I gave it over, because it’s not my expertise, but because it’s not my expertise, I didn’t know what questions to ask.”

A lot of consumers are in that boat. Whether they are saving for retirement, college or something else, many consumers aren’t aware of investment plan fees, or they simply choose more costly funds, according to studies by The Pew Charitable Trusts and Morningstar research firms, respectively.

Portformer aims to bring transparency to investing by showing consumers and their advisers the fees they’re paying on investment products within their portfolio, and suggesting lower-cost, similarly-performing options. Essentially, it is a grading tool for investment portfolios, which can be used by both financial advisers and individual investors. An individual, like Cloutier, can use the tool free of charge to analyze the portfolio, then send a report with potential savings to an adviser. Likewise, financial advisers – and entire investment firms – can subscribe monthly per adviser to access the software, bringing immediate savings to clients.

The tool has given Cloutier the confidence that her money is, indeed, well-invested. “It empowered me to ask better questions and also helped me focus on where I could make changes to lower costs,” she said.



Sean Kruzal, right, and Andrew Kebalka review the Portformer product recently.

Erica Swallow

If Kruzal — or fellow New Hampshire Andrew Kebalka, of Lebanon, or D.C.-based teammate Jake Pulitzer — have anything to say about it, Portformer will help both individual investors as well as financial advisers, like Carlos Sava of Clarendon Capital Management in Chicago, make smarter investments.

“I used Portformer to do a full tear-down,” Sava said. “I went position by position to figure out the best holdings I could have for these portfolios and for the exposure that I want.”

On a technical level, Portformer uses “the latest innovations in machine learning alongside custom algorithms built in-house,” Kruzal said. The company has data on more than 26,000 mutual funds and 2,800 exchange-traded funds (ETFs), all currently sourced from financial data platform Tiingo, with more sources in the works. From a products perspective, it suggests using ETFs to replace typically higher-cost mutual funds.

Portformer isn't a miracle worker for advisers, though, Sava warned.

"No professional should follow recommendations blindly," he said. "But Portformer is a great tool to find new alternatives. There are thousands of mutual funds and ETFs available – it would take an eternity to do this level of research without tools like Portformer."

Sava doesn't always go with Portformer's recommendations, he admits, but the tool helps him dig into why certain funds perform the way they do, enabling him to justify when he agrees or disagrees with a suggested portfolio change.

Furthermore, Portformer is an independent, third-party analysis tool, said John DiBenedetto, formerly of Fidelity and an adviser and consultant to wealth management and FinTech firms.

"Still, today, the firms with the biggest advertising budgets do the best," he said. "They attract the most money, because they advertise on TV, in trade publications, and they have incredibly large sales teams to get in front of advisers and clients touting their funds."

"This particular tool helps advisers and individual investors cut through all of that and create or analyze a portfolio strictly on the data," DiBenedetto said. No preferential treatment, no sponsored placements, just the numbers.

The company, which was founded in 2014 as a tech-based consulting firm to help investors stay on top of market conditions, is based in Boston, where Kruzel studied Economics and Mathematics at the Massachusetts Institute of Technology.

The team, though, never forgot its New Hampshire roots. Kebalka, the company's research and business development analyst, said the Granite State plays a role in the company's culture. "When the going gets tough, we lean on our humble beginnings and say, 'Why can't two guys from New Hampshire do this? Why can't we make this happen?'"

With a product that helps average people live life a little better and maybe enjoy retirement a little faster, they may just have a shot.