

WealthDefender™

Overview

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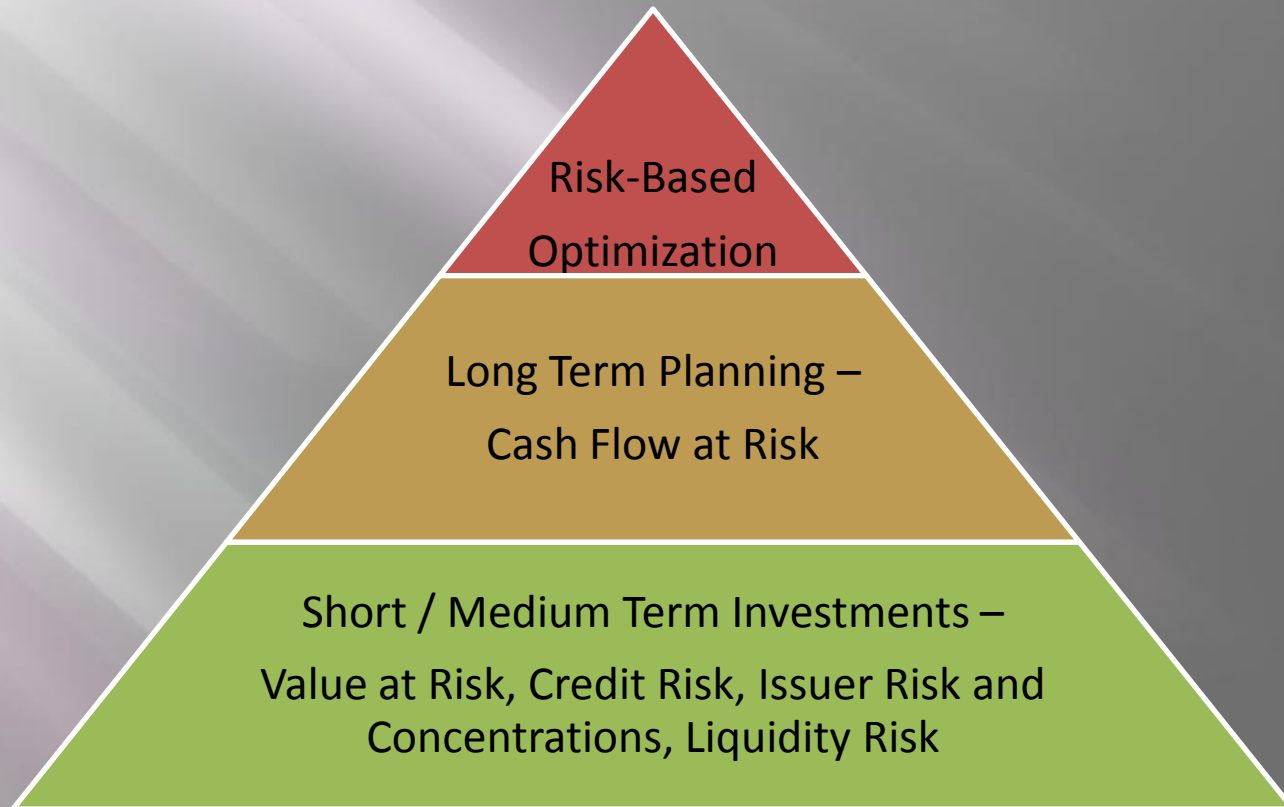
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WealthDefender™

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WealthDefender™ Background

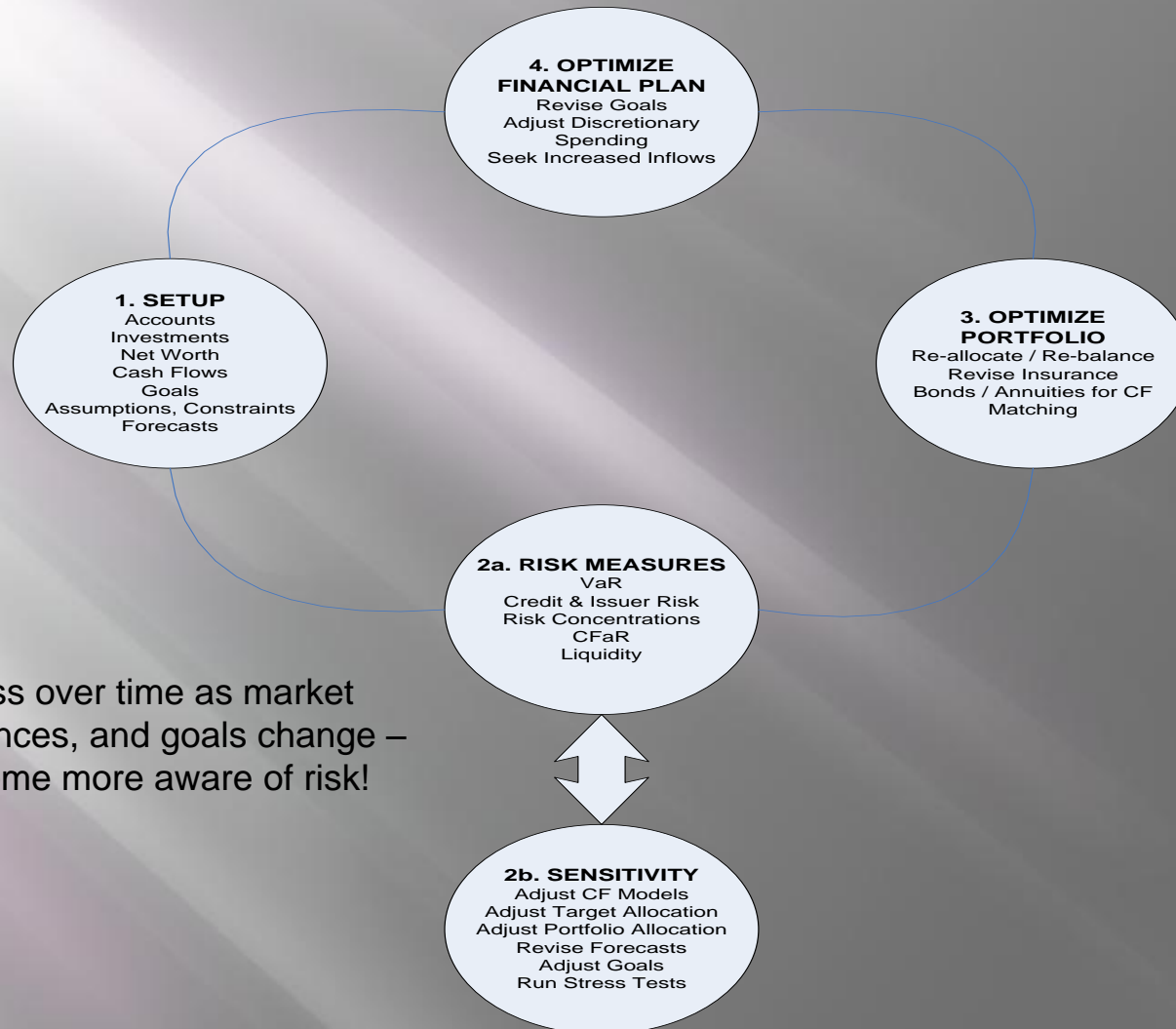
WealthDefender™ is a new paradigm in **comprehensive, integrated, configurable financial risk management** for wealthy individuals, family offices, and their advisers.



WealthDefender™ Background

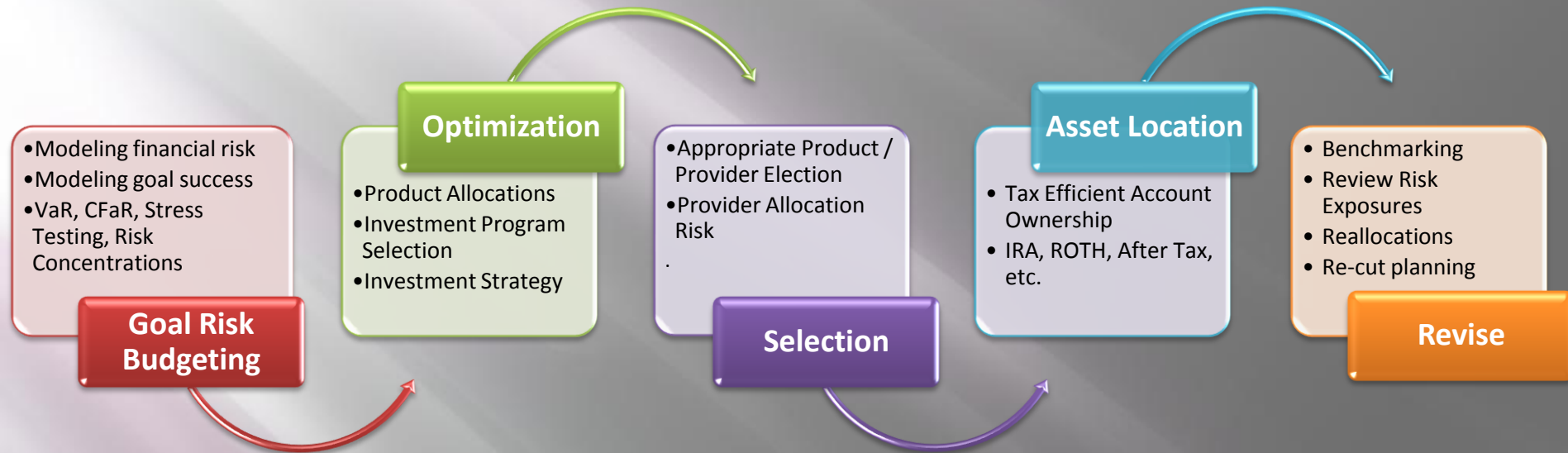
- WealthDefender™ starts with established risk management concepts and tools utilized by large organizations for market, credit, and liquidity risk management and adapts these for wealth planning.
- WealthDefender™ introduces a holistic Cash Flow at Risk measure that looks at a client balance sheet and cash flow statements and uses powerful simulation and modeling to help clients assess their goals and plans given their finances, assumptions, constraints, and forecasts – deterministic, stochastic, and uncertain.
- Patent-pending optimization models help the client to determine the right portfolio allocation, optimal starting balances, and optimal cashflows needed to maximize the probability of meeting goals. Risk and return are key to these models but the orientation is towards goals.

Risk-Aware Financial Planning



An iterative process over time as market conditions, circumstances, and goals change – and as clients become more aware of risk!

WealthDefender™ Optimization



Benefit Highlights

Clients

- Planning process that looks at their entire wealth picture
- State of the art risk budgeting
- Distilling down highly complex strategies into simple to understand concepts
- Constant evolution to provide them the best solutions available

Financial Advisors

- Truly unique toolset
- System is designed from the point of sale perspective
- Facilitates the positioning on non traditional assets and strategies
- Enhanced due diligence process for clients
- Provides actionable ideas that are relevant to the FA's business model

The Firm

- Can bring in net new money and protect existing revenues
- Potential liability exposure reduction through firm wide risk monitoring and reporting, at the client, FA, group and firm level
- Can drive sales growth in target products

Company and Team

Robert Levine has been developing risk management systems for large enterprises for 20 years. He holds Doctorate of Finance, Postgraduate Certificate, Masters of Business Administration, and Bachelor of Science Economics degrees from University of California-Berkeley, Swiss Management Center, City University of New York, and New York University. Dr. Levine has published three books and many articles about personal and enterprise risk management. Levine Services, LLC is a boutique finance and risk consultancy that designs and implements financial models and solutions for wealth managers.

In developing WealthDefender™, Dr. Levine is joined by a small team of expert quantitative software developers.



WealthDefender™

Competitive Strengths

- First financial optimization mobile app to market
- First application of Cash Flow at Risk, Value at Risk, and Investment Constraint – based optimization to asset allocation, product selection, tax optimization, and cash flow planning
- The most transparent and holistic approach to financial optimization on the market
- Full financial product coverage and the first optimization software to support insurance products like annuities
- Validated financial models and software based on open architecture

WealthDefender™

Value

“Investor confidence in advisers and regulators remained shaken. The \$39 trillion held by the rich is increasingly actively managed, and these wealthy clients are seeking customized advice and demanding full disclosure about the securities they buy.”
(From the 2010 Merrill Lynch – Capgemini World Wealth Report)

WealthDefender™ works in conjunction with portfolio and cash flow management systems and related data sources, across multiple asset classes and account structures. Over the short to medium term, it analyzes, measures, and reports the risks in the investment portfolio and suggests adjustments that reduce risk of investment loss while still meeting return objectives. Over the longer term, it works with budgeting and financial planning software to measure the risks to meeting single or multiple goals, given a rich set of account balances, cash flows, assumptions, constraints, projections, and forecasts. Many tools use Monte Carlo simulation for a simplistic measure of the probability of not meeting a goal, but only WealthDefender™ allows analysis of multiple goals and a complete set of cash inflows and outflows (deterministic, stochastic, or truly uncertain) in a manner that allows the client or their adviser to enter or derive “intelligence” about these cash flows. Uniquely, WealthDefender™ is completely customizable and transparent and allows the user to adjust all parameters to see the impact each has on risk (sensitivity and stress testing.)