RiskMetrics Group
The Center for the Financial Community

Risk Management

WealthBench

Delivers superior investment planning and enriches client relationships

RiskMetrics Group's relationship management service, WealthBench, enables those in client-facing roles to deliver fully-informed, tailored investment planning proposals to each individual client. Plans are designed to reflect their needs, goals and constraints while remaining consistent with house investment- and risk-based policies.

WealthBench is a highly configurable system incorporating robust analytics, market-consistent inputs, back-tested models and transparent methodologies for superior investment planning . The tool automates labor-intensive tasks at every stage of the investment advisory process, without compromising the highly-personalized quality of the end-client experience. And with WealthBench's powerful risk analysis and risk management tools, you can help your clients navigate the uncertainty of the financial markets.

RiskMetrics Group works closely with you during the implementation process, from initial system configuration through to end-user training. Our implementation teams have expertise in project management, data and technical integration, design and research. The flexibility of the platform allows for rapid integration without the risks often associated with a significant development effort.

WealthBench is a valuable tool to help your clients determine how today's investment decisions affect long-term wealth accumulation and attainment of financial goals.

RiskMetrics Group Addresses a Broad Spectrum of Risk

Client Benefits:

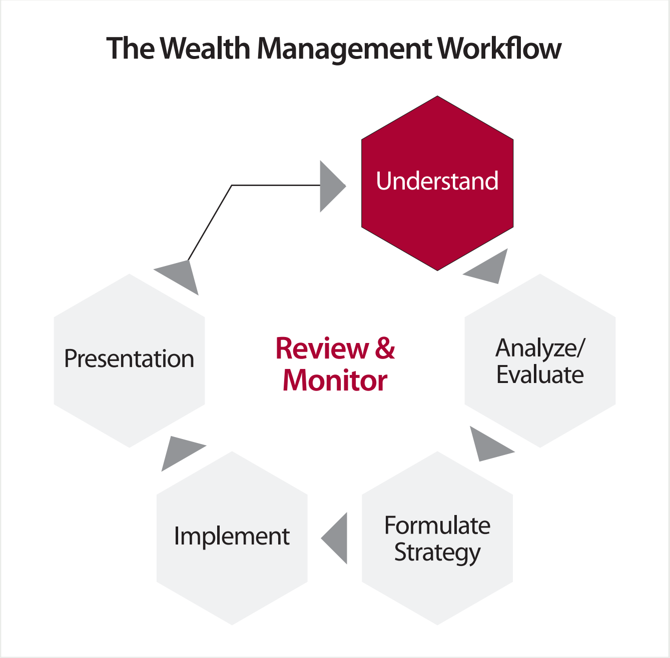
+ Utilize institutional-quality methodologies, customized with your firm's propriety research
+ Delivers proactive, informed advice and reporting that is timely and actionable
+ Customize advise to each client's specific risk tolerance, return objectives, and financial goals
+ Increase productivity by leveraging technology to analyze data — enabling advisors, brokers, and relationship managers to spend more time with clients. The entire proposal process takes less than an hour from beginning to end
+ Get consistent analysis across wealth segments through tiered service levels and configuration options, customized to the client's need
+ Retain the integrity of house investment policies, data and analytics while delivering custom investment planning proposals

The Risk Management Workflow

Understand

The investment planning process begins by understanding and developing a complete picture of your client's current financial situation. How much do they have to invest, how is it invested, are their investments consistent with their appetite for risk?

You also need to understand their aspirations — What are their investment objectives and goals? WealthBench allows you to capture all of this information — in a format to suit your firm's requirements.



Analyze/Evaluate

WealthBench allows you to conduct an exhaustive analysis of your client's current portfolio not only at the asset class level but also at the individual security level. This means you can measure precisely the extent of risk being taken by the client in both normal and abnormal market conditions, i.e. see how a client's portfolio would perform if events like Black Monday or 9/11 occurred in today's investment environment. The benefits of portfolio diversification can be easily analyzed, and the effect of making selected changes to a portfolio from a risk and return perspective can be evaluated.

Formulate Strategy

Our services include complete multi-goal planning capabilities so you can construct optimal asset allocation strategies. WealthBench optimizes asset allocation strategy automatically, using the proprietary discretionary asset class correlations as well as market return and volatility assumptions.

WealthBench offers both a traditional mean-variance optimization as well as a multi-period Monte Carlo simulation based optimization. In addition to the optimization route, users can select from model portfolios or, if they are entitled, enter allocations directly that match their client's risk and reward profile.

Implement

Since optimization takes place at the asset class level, you can implement products according to approved product recommendation lists, the clients own personal selection or your own instrument preferences selected from a predefined list of house-selected securities.

Present

The client output, including current and proposed portfolio analysis, investment planning , wealth projections, cash flows, portfolio revenue flows, risk analysis and a host of other analytical data are automatically produced in either paper or electronic format in your own branding. These professional quality reports are multilingual and extremely flexible.

WealthBench provides the flexibility to use your firm's recommended lists, third party research or quantitative screens to build lists of candidate securities for recommendation to your clients.

Build Stronger Client Relationships with WealthBench

WealthBench is designed for seamless integration into your organization's existing systems, delivering a secure, reliable, fully-hosted ASP service that can be scaled to meet your firms needs enterprise-wide, from senior management to relationship manager to client end-user. Since WealthBench can be configured or modified to your business rules and processes without significant one-off development, it is the most flexible tool available today.

Designed for modeling real-world situations, WealthBench excels at complex portfolios, including international equities, fixed income, foreign exchange and their derivatives, such as equity options. Alternative investments and structured products can also be handled through custom implementations.

WealthBench also provides tax-aware optimization with algorithms for projecting future wealth and determining optimal asset allocation that explicitly account for client-specific tax rates and multiple tax vehicles (taxable, tax-deferred, Roth IRA, non taxable accounts and charitable remainder trusts). WealthBench also allows you to deliver superior client service by providing client-specific settings for handling the unique risks of concentrated positions, allowing you to set divestiture schedules and/or allocate around positions.

WealthBench Tools for Portfolio Optimization:

+ Determine rebalancing trades that increase expected returns while maintaining a fixed level of risk
+ Customize asset return models using your institution's assumptions
+ Apply customizable policy constraints and client-specific constraints to manage the level of security and asset-class specific concentration risk in recommended portfolios
+ Perform 'What-If' analysis to determine the effect of hypothetical trades on a portfolio's expected risk and return to help justify buy/sell recommendations

WealthBench Tools for Risk Management

RiskGrades

As the language for understanding the risk of equities, funds, unit trusts, bonds and options, RiskGrades gives you accurate and timely measures of volatility for securities and portfolios. This means your clients can assess risk versus return across asset classes and derivatives on a consistent basis for optimal portfolio management.

Risk Statistics

With Risk Statistics, you can automate the computation of portfolio standard deviation, Value-at Risk, or RiskGrades as preferred by your institution for client communication.

Risk Impact

Highlight hidden exposures to clients using Risk Impact, the unique measure for quantifying the amount of risk each security contributes to the overall risk of a client's portfolio.

Diversification Analysis

Quantify the level of diversification in a portfolio to explicitly highlight the value of your recommendations with Diversification Analysis.

Event Risk

Users can calculate in real-time the potential effects of stress events and market shocks on the value of a client's portfolio to identify potential hedging strategies and to help clients set sensible exposure limits by asset class and security.

WealthBench Tools for Strategic Asset Allocation and Wealth Projection

Asset Allocation

Complete multi-goal planning capabilities help your clients construct optimal asset allocation strategies for their complex cash flow and liquidity needs, including major expenditures, asset purchases, retirement planning and inter-generational wealth transfer needs with Asset Allocation.

Wealth Projection

Users can leverage the most advanced analytics available in the market to help your clients determine how today's investment decisions affect long-term wealth accumulation and attainment of financial goals.

Monte Carlo Simulation

This proven technique can be utilized to complete forecasts of the distribution of your clients' future wealth, with the ability to properly model: Stochastic asset class returns, Stochastic inflation rates and Tax and transaction-related costs.

WealthBench Data Coverage

- International equities
- Mutual funds and unit trusts
- Fixed income
- Foreign currencies
- Options and derivatives
- Customizable for Alternative Investments
- Customizable for structured products

For more information on this and other solutions from RiskMetrics Group, please email marketing@riskmetrics.com, visit www.riskmetrics.com, or call:

Chicago . . . . . +1 312.977.1707
Frankfurt . . . . +49 (0) 69.2729.8659
London. . . . . . +44 (0) 20.7063.5600
Melbourne. . . +61 3 9642.2062
New York . . . . +1 212.981.7475
Paris . . . . +33 1 42.68.51.42
Rockville . . . . +1 301.556.0540
Singapore . . . +65 6826.9339
Tokyo . . . . +81 3 5275.7821
Toronto. . . . . . +1 416.364.9000

WealthBench provides integrated access to RiskMetrics Group data services — a source of clean, consistent data for improved risk management. Our open time series database architecture means you can easily incorporate your institution's unique financial product offerings.

WealthBench provides the tools for a comprehensive, informed view of customized investment planning.

About RiskMetrics Group:

RiskMetrics Group is a leading provider of risk management products and services to financial market participants. By bringing transparency, expertise and access to the financial markets, we help investors better understand and manage the risks inherent in their financial portfolios. Our solutions address the market, credit, portfolio, governance, accounting, legal and environmental risks of our clients' financial assets. Headquartered in New York with 19 offices worldwide, RiskMetrics Group serves more than 2,300 institutions and 1,000 corporations in 50 countries. For more information, please visit www.riskmetrics.com.