PRESS RELEASE

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FINAMETRICA LAUNCHES VERSION 2.0

Risk profiling specialist, FinaMetrica, today announced major enhancements to its risk tolerance report and supporting materials – based on feedback from 5,000 predominantly Australian, UK and US financial advisers.

Since its entrance to the UK in 2004, FinaMetrica has grown rapidly to become one of the dominant risk profiling solutions used by financial planners and investment mapping business partners including Architas, Margetts, Allianz, Aviva and 7IM.

Paul Resnik, director and co-founder of FinaMetrica, explains:

'Advisers asked us for more refined reporting and greater clarity to enable deeper exploration of individual differences. Conversations with clients will now be easier to initiate and provide richer insights into each client's unique risk attitudes.

'We have also enhanced the Risk and Return Guide which provides advisers with an educational history of the last 40 years investment returns to share with clients. The original version worked effectively to frame investors' return and volatility expectations through all major stock market corrections over the last ten years. The new version adds several fresh perspectives designed to significantly extend investor's understanding of portfolio behaviour."

FinaMetrica 2.0 – key features

- New scoring algorithms reflects that the score is now 'normed' to clients of advisers

- UK specific rescaling has a reliability of 0.92, significantly higher than the psychometric standard of 0.8 for a good test

- Risk tolerance scores can now be expressed at a portfolio risk level

- The Risk and Return Guide is now expanded to be more comprehensive with 4 new illustrative portfolios – giving 11 in total

Resnik continues:

"We believe existing subscribers will be able to make practical use of the improvements and we hope potential subscribers will see in our new proposition a further distancing between our services and those of our competitors. Both should see more effective compliance and stronger client relationships as a consequence of FinaMetrica's renewed commitment to the UK market."

"When we looked at the 500,000+ risk profiles we also realised we had sufficient data for Australia, New Zealand, Canada, the US and the UK to do by-country analyses. There was no statistically significant difference between Australia, New Zealand, the US and Canada but there was for the UK. On average, clients of UK advisers scored lower by 1.4 points, i.e. less than a fifth of a standard deviation. While statistically significant, the difference is not practically significant. Nonetheless, in keeping with our objective of maintaining the highest standards we decided to develop a separate subscale for the UK. Interestingly, the major cause of the difference would appear to be that in the UK the gap between male and female scores (males being more risk tolerant than females) is significantly greater than elsewhere, 6.3 points versus 4.1 points".

FinaMetrica helps manufacturers of investment products and investment advisers to better match investments to investor's needs. Since launch in 1998 FinaMetrica has completed more than 520,000 profiles for over 5,000 investment advisers in 20 countries. In the UK FinaMetrica was one of only two risk profiling solutions which did not require any changes to be made following the FSA's March 2012 guidance into 'Assessing Suitability'.

To find out more about FinaMetrica, advisers can visit www.riskprofiling.com.

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About FinaMetrica

FinaMetrica enables advisers to better match investments to their clients' needs. Our goals are to help advisers boost productivity, enhance client satisfaction, improve regulatory compliance and increase investment persistency.

Since commercialisation in 1998 we have completed more than 500,000 profiles for over 5,000 leading edge investment advisers in 20 countries. In an average month we undertake 5,000 profiles and have completed up to 15,000 in one month.UK clients and integration partners include a broad cross section of the UKs leading advisers and investment groups.

FinaMetrica subscribers direct more than £20 billion in conjunction with their clients. The majority of our activities are in the US, UK and Australia. We have been translated into 7 languages, most recently simple Chinese and Afrikaans.

Our solutions differ from alternative profilers in that we work from the investor's perspective to:

- deliver an independent and psychometric financial risk tolerance assessment tool set and planning methodology
- link the risk tolerance score to a range of investment recommendations, and
- promote investors' realistic investment expectations by effectively explaining the real financial risk and volatility in those recommendations.

Smaller advisory groups and individual advisers can access our web site to undertake a risk tolerance assessment. For larger groups our technology easily and quickly links into contemporary financial planning software to deliver a seamless process from investor needs to investment implementation.

FinaMetrica Pty Limited
www.riskprofiling.com
www.FinaMetrica.com
www.myrisktolerance.com