



## PRESS RELEASE

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### FINAMETRICA JOINS FORCES WITH MARGETTS

Risk profiling specialist, **FinaMetrica**, today announced the completion of a new initiative with Margetts Fund Management Ltd ('Margetts'), providing descriptions of risk with historical returns for use with Margetts Risk Rated range of funds.

FinaMetrica's new data input provides an independent historical reality check of the strategic asset allocation for the given risk profile. The information has been integrated into Margetts' existing risk reports to provide a clear, transparent explanation of how a client's portfolio is managed and allocated, helping advisers to manage client expectations based on historical evidence.

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

"Investors should never be surprised either by their portfolio returns or the volatility of those returns. We show historical performance benchmarked to a readily understood parameter - the three months term deposit. In addition by illustrating the five biggest rises and the five largest falls, plus their time to recover, we help investors better deal with the passions that drive them to want to invest more when the markets are rising and cash-out when markets are falling."

The FinaMetrica risk descriptions take Margetts' strategic (long term) asset allocations and use indices to create a clear picture of the investment history excluding any active management. This allows Margetts to use over 20 years of data to give advisers a consistent link from FinaMetrica's risk scores to the relevant Margetts portfolio within a well-tested framework for meaningfully explaining investment risk to clients.

The FSA's Investment Suitability guidance paper emphasises that advisers have an obligation to take clients' unique circumstances into account in the making of an investment recommendation. This includes their *Attitude to Risk* and their *Risk Capacity*.

The Margetts Risk Rated reports illustrate the end portfolio along with historical evidence based on the risk profile, helping advisers demonstrate that the portfolio is suitable for the assessed risk profile.

Matthew Jealous, investment director at Margetts, comments:

"We see significant benefits for both our advisers and their clients in this integration and we are pleased to be working with FinaMetrica. We believe that better informed investors are more likely to be long-term investors, which will help them to achieve their objectives and forge stronger relationships with the people who are helping them to achieve this".

Each of the Margetts Risk Rated funds has a risk rating based on a number on a scale of 1 – 10 (where 1 is the lowest risk i.e. cash and 10 is the highest risk i.e. geared investment in volatile assets). The risk profile for each fund remains constant throughout the investment cycle; however Margetts actively manage the portfolio by adjusting the tactical asset allocation and fund selection. The funds can be combined to create a risk profiled portfolio, which is tailored to the client.

More information available at

[http://www.margetts.com/risk\\_rated\\_funds.asp?RootPath=riskratedfunds&SectionPath=FinaMetrica](http://www.margetts.com/risk_rated_funds.asp?RootPath=riskratedfunds&SectionPath=FinaMetrica)

**ENDS**

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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 3,000 leading edge investment advisers in 19 countries. In the average month we undertake 5,000 profiles and have completed up to 15,000 in one month. On average our subscribers stay with us for over 5 years. UK clients include a broad cross section of the UK's leading advisers and groups.

FinaMetrica subscribers direct more than £18 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](http://www.riskprofiling.com)

[www.FinaMetrica.com](http://www.FinaMetrica.com)

[www.myrisktolerance.com](http://www.myrisktolerance.com)

## **About Margetts**

Margetts Fund Management Ltd was formed in 2001 by a share issue, with the majority being held by Margetts Financial Services Ltd and a selective offering to employees and supporters of the company who wished to take a direct stake. The company was authorised by IMRO with the aim of achieving first class returns within specified risk criteria, and also with the objective of setting high standards of servicing with direct employment of administration staff.

The Margetts funds have been extensively used by both private clients and Independent Financial Advisers and in 2003 Margetts started offering third party facilities with the launch of the Opes range of funds, which have in their own right received Reuters/Lipper awards. Current funds under management (FUM) are c£800m.