

Risk Management

You Can't Control Returns, But You Can Help Control Exposure to Risk - powered by 55ip

Advances in automation are impacting every aspect of practice management. The more processes can be automated, the more time you can spend client-focused and growing your practice.

When it comes to rebalancing, the marketplace has several options that facilitate automation, but 55ip's investment strategy engine is the only one that combines intelligent risk management and customization using:



Intelligence-driven, proprietary investment science



Quantitative methods delivered through automation



Flexibility to incorporate at the strategy and client level

In volatile markets, 55ip offers valuable capabilities for keeping clients on track (and less anxious!) by seeking to reduce the risk of extreme losses.

Many risk management methods address risk at a point in time, but 55ip's algorithms plan for risk over time.

In a recent survey, more than 75% of investors state that they would prefer a protection-focused portfolio versus one that outperforms.¹

Market Risk Indicator (MRI)

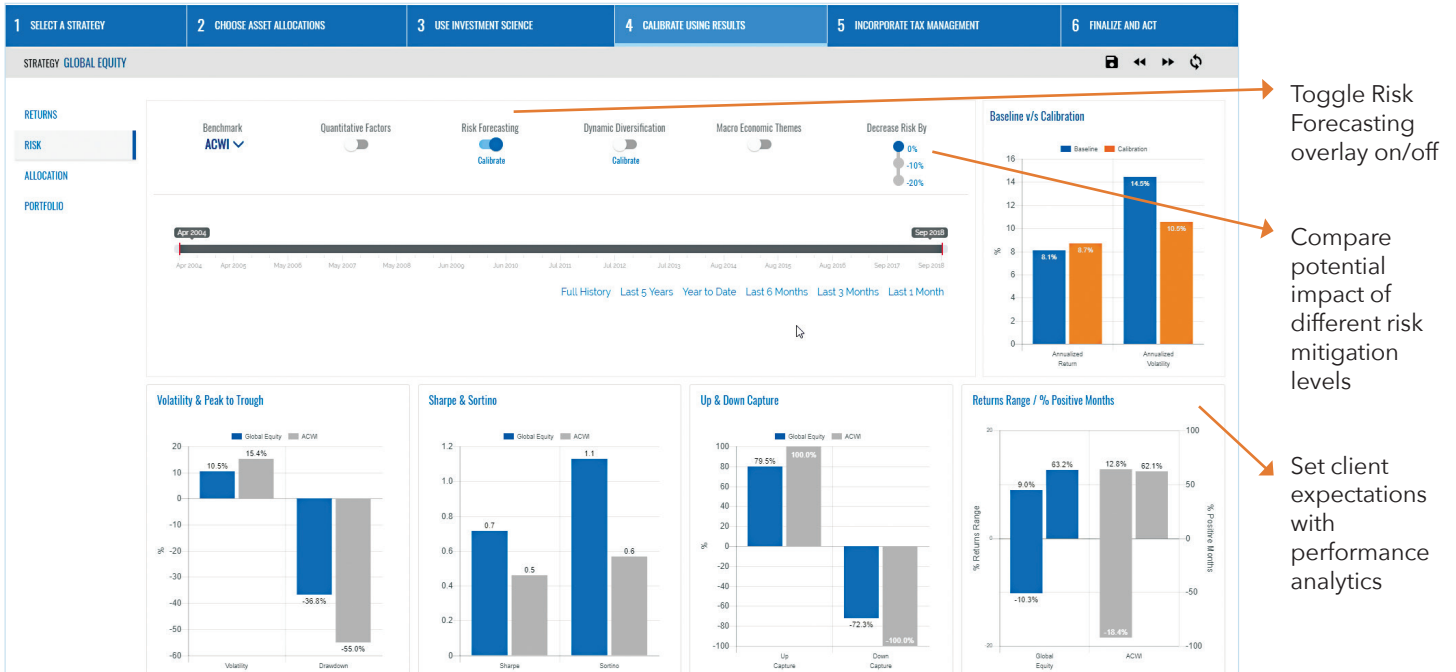
The 55ip Market Risk Indicator (MRI) score helps advisors monitor risk and guide allocation among global equities and a "shelter basket" (i.e. cash equivalents and other stable asset classes) to help protect investors from extreme losses due to correlated and down markets. Based on the 55ip MRI score, exposure is dynamically adjusted with a goal toward reducing the drag due to such allocation while aiming to provide protection when most needed. This becomes significantly important for clients who are averse to losses because of income or other needs.

MRI is represented by a monthly score of 0 to 100 (100 representing the highest downside risk). The MRI score primary drivers are:

- Valuation (e.g. price to book ratio)
- Macroeconomic conditions (e.g. manufacturing sentiment index)
- Financing indicators (e.g. trend indicators)
- Statistical measures of return distributions (e.g. multi-asset VIX)



55ip's investment strategy engine allows you to easily explore different risk reduction scenarios and produce client-facing proposals.



55ip Risk Management Capabilities

Asset class diversification is helpful in avoiding risk, but its effectiveness is limited in certain market conditions when there is a high degree of correlation. Our industry-leading team of researchers and investment scientists developed the MRI score and algorithms so advisors can help clients more confidently and consistently stay in the markets, which can play a key role in long-term wealth creation.

For monthly risk commentary and white papers from 55ip, visit www.55-ip.com.

¹The Cerulli Edge – U.S. Retail Investor Edition, 3Q 2018

All advisory services are provided by 55i, LLC, a SEC registered investment advisor.

For more information or a quick 1:1 demo, contact us at:

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About 55ip

55ip is an investment strategy engine that provides financial advisors and wealth managers the capabilities to build intelligent, custom models for clients through a white label software platform. 55ip's proprietary investment science addresses the common frictions that get in the way of client outcomes – high fees, extreme losses, and taxes, while automating the entire investment management process so advisors can save time and focus on growing and scaling their practices.

Intelligent. Custom. Automated.

www.55-ip.com