AdvisoryWorld

FINANCIAL TECHNOLOGY

EXECUTIVE SUMMARY & COMPANY INFORMATION

AdvisoryWorld, formerly Wilson Associates, has provided financial software to investment professionals around the globe since 1987. The Company's home office has been located in Los Angeles since inception and today can be found in Sherman Oaks, CA. In addition to being the leader in private labeled and branded financial applications, AdvisoryWorld offers off-the-shelf applications such as ICE, its flagship, web-based solution for portfolio and security analytics with an added bonus of financial planning. The application features portfolio modeling, asset allocation, optimization, detailed cash flows, Monte Carlo simulation, security screening, style and factor analysis. Among its more than 50 FINRA compliant and client-ready reports is a powerful and easily understood Investment Policy Statement.

Our applications are or can be fully integrated with leading Performance Reporting and CRM software including Albridge Solutions, Orion Advisor, Advisors Assistant, Centerpiece, dbCAMS and Investigo. All applications include data on Asset Classes, Mutual Funds, Stocks, Closed End Funds, ETFs, Variable Annuities, Bonds and Separate Accounts from sources such as Lipper/Thomson Financial, Morningstar Standard and Poor's and Zacks Investment Research.

AdvisoryWorld continues to gain market share by being the leader in private label development as well as offering investment advisors, broker/dealers, banks, money managers and insurance companies the highest quality and most comprehensive financial tools available. The Company constantly strives to improve the product line by paying particular attention to existing and potential customers' needs and wants.

AdvisoryWorld's applications are easy to use, very comprehensive and cost efficient, especially when compared to offerings from competitors such as Morningstar and SunGard. Customization and branding, however are features that truly set us apart.

Proposal generation is another key to our success. The differentiation in our proposal generation capabilities is apparent in AdvisoryWorld's interface design, report clarity and appeal, customization capabilities and analytical know-how.

CLIENTS

Over 20,000 clients have access to the Company's products. Clients include financial advisors, RIAs, broker/dealers, insurance companies and agents, CPAs, money managers and banks. Some of the Company's larger clients include SEI, Standard & Poor's, Jackson National and LPL.

RAPID, EFFECTIVE DEVELOPMENT

20 years of experience in developing successful applications and tools for financial institutions

Using existing financial tools and source code materially reduces the time to develop an application thereby substantially reducing costs:

- Library of Financial Calculations
- Defined Business Logic
- Functional Requirements Catalog

A Global Development Team that literally works 24 hours/day, AdvisoryWorld's engineers are proficient in both software designing, XML data interaction (SOAP, Post etc.) and in financial/mathematical calculations.

- Domestic Project Managers, Engineers & Application Designers
- Off-shore Code Engineers
- Hybrid Quality Assurance (QA) & Beta

PROVEN MAINTENANCE, ENHANCEMENTS & SUPPORT

AdvisoryWorld maintains applications by keeping them running efficiently & bug-free and updating the historical databases.

- Hosting with constant supervision
- SSL, Multi-Tier, DMZ and IDS security

As an active leader in the development of financial software, AdvisoryWorld must constantly stay on top of industry trends and adapt to them accordingly. All of the Company's products are modified and enhanced several times a year based mostly on customer requests.

AdvisoryWorld support staff ensures that the application is available 24/7 and provides Level 1 Help-Desk support from 7-5 Pacific (Monday-Friday).

EXPERIENCE

In the Fall of 2009 National Asset Management (NAM) faced a predicament that many other TD Ameritrade Institutional advisors are challenged with on a regular basis: their back office portfolio management system lacked a front end analytical sales component. NAM's Chief Operating Officer, Vali Nasr recalls, "at the time we were using one platform for portfolio management and performance reporting and another for proposals and analysis; our advisors were wasting hundreds of hours per year on data reentry, making many errors along the way and almost never sending a consistent, uniform message to clients and prospects." Mr. Nasr's efforts to find a front office toolset to couple with his Orion Advisor back office system resulted in him selecting AdvisoryWorld (Orion Advisor and AdvisoryWorld are TD Ameritrade Affinity Partners).

"National Asset Management came to us looking for a solution to quantitative and hypothetical analysis with Monte Carlo simulation for portfolios consisting of mutual funds, ETFs, stocks and SMAs. Vali Nasr had a vision for a new series of reports that would be accessible through Orion Advisor's eProfile platform," recounts AdvisoryWorld's Chief Operating Officer, Michael Wilson. Over the next 3 months the AdvisoryWorld team worked closely with Orion Advisor and National Asset Management developing the new proposal system on time and under budget.

The combined integration features single sign-on, data sharing, ad-hoc report generation and more. Says Nasr, "today the joint AdvisoryWorld - Orion Advisor solution is truly a seamless front office to back office solution." The proof of the efficiencies paying off may be found in the increased number of advisors using the National Asset Management RIA platform and in more assets. Since rolling out the AdvisoryWorld - Orion Advisor sales component, National Asset Management has added on 15 new advisors and grown its assets under management by more than 30%. The three companies continue to innovate, most recently rolling out a Portfolio Modeling component that enables National Asset Management users to access AdvisoryWorld's investment screening and portfolio optimization capabilities directly through Orion Advisor.

The same level of success and rave reviews have been met at Standard & Poor's, LPL, SEI, VALIC and others.

AdvisoryWorld Technology at a glance

Client Profiling

The financial application's client and account profiling component helps advisors better understand who their clients are by analyzing age, tax status and risk tolerance acceptance. Users will quickly gain insight into the type of portfolio a client or prospect should be aimed towards through use of a proprietary yet fully-customizable risk profile questionnaire. Furthermore, the same profiling module can aid advisors in selecting appropriate investment types/programs (e.g. Mutual Funds vs. Separate Accounts) depending on account values and more.

- Risk Tolerance Assessment
- Account Tax-Sensitivity

Portfolio Review

AdvisoryWorld's analytical capabilities run the gamut from basic portfolio review to sophisticated Modern Portfolio Theory analysis. Once a client or prospect's current portfolio allocation is entered into the software, either manually or via import, advisors can review extensive metrics over a user-defined time horizon. Most importantly advisors can determine whether a portfolio's downside risk exceeds the client's risk profile.

- Cumulative & Annualized Returns
- Mean Returns
- Rolling Returns
- Standard Deviation
- Downside Risk Return
- Range of Returns & Values
- Sharpe Ratio
- Alpha
- Beta
- Risk Adjusted Performance
- Correlation
- Style

Portfolio Review (continued)

AdvisoryWorld users enjoy the capability to review allocations on a Macro-Scale (Cash, Equity & Fixed Income), by Region (U.S. vs. Europe vs. Far East etc.), by Industry (e.g. Energy, Tobacco, Healthcare etc.), by Style (e.g. Large Value, Large Growth etc.) and by Investment (e.g. Microsoft, American Funds Bond Fund of America A etc.). The ICE application drills portfolios down to the individual holding level to assess true investment weightings and performance.

Modeling & Optimization

Advisors may utilize the Modeling functionality to construct a series of models for various client risk tolerance levels and tax-sensitivity. For example, a user may build both a qualified and a non-qualified Balanced model. AdvisoryWorld has built the infrastructure for a firm's research division to automatically import/update all proprietary models. In turn, a firm's advisors may access these models for use with their clients and prospects.

AdvisoryWorld allows users to build and manage their own, custom model allocations and asset classifications if permitted by a firm.

AdvisoryWorld's highly sophisticated quadratic multi-factor algorithm routine for finding optimal solutions, a core competency for 20+ years, allows advisors to build efficient portfolios that maximize return, achieve financial goals and are in equilibrium with a given risk profile. Users may choose to either optimize a model and/or their clients' existing portfolios.

Hypothetical Illustrations

The Hypothetical Analysis feature of ICE allows users to easily and accurately review the affect of dividend and capital gain reinvestment, various fee applications and rebalancing rates on the growth of a portfolio or investment. Users may further adjust settings such as begin and end dates, cash contributions and withdrawals, rebalancing frequency and tax rates to assess back tested outcomes.

- Rebalancing Frequency over User-Specified Horizons
- Wrap Fees vs. Sales Charges
- Out of Pocket vs. Sale of Shares
- Contribution & Withdrawal Impact

Investment Analysis

Search for products that meet specific criteria and further filter on resulting lists. Compare sets of securities to an independent variable (Index) with a series of FINRA compliant reports to be certain that selected products outperform their peers and benchmark.

- Security Screening
- Factor Analysis Reports
- Investment Fact Sheets

Financial Planning with Monte Carlo Simulation

AdvisoryWorld's applications incorporate a highly-intuitive needs analysis calculator. With it, users may analyze portfolio vitality through retirement, education and estate plans. The application in turn provides corrections for any shortfalls (e.g. higher return required or less money withdrawn). Using a straight-line projection, advisors may review a cash flow chart and table then further project future outcomes with Monte Carlo simulation; determine the probability of achieving client goals based on portfolio assumptions, historical or CAPM.

- Detailed Time-Weighted Cash Flows
- Solve for Education, Major Purchases, and Retirement etc.
- Project using both Straight-Line & Simulated Returns

Comparative Review, Reporting & Rebalancing

Advisors have the option to build report sets from among over 100 reports, tables and graphs. All FINRA compliant reports contain required disclosure and acceptance/adoption. Portfolio Comparison and Trade Reports focus on the trades required to move from current to proposed portfolios and can be used by trading desks to both open new accounts and rebalance existing holdings. Tax-Transition analysis reports focus on the benefits of using overlay managers and the impact of executing a given strategy.

- Investment Proposal
- Investment Fact Sheets
- Investment Policy Statement
- Portfolio Snapshot with Overlap
- Hypothetical Report
- Rebalancing with Alerts
- Tax-Transition Analysis Report with Cost Basis Optimization

Reports are highly customizable and can include advisor and parent company look and feel. They may be delivered in the following formats HTML, PDF, RTF, XLS, CSV, PPT, XML or TXT and can be shared or sent via email.

A Report Library is available at:
www.advisoryworld.com/ice/AdvisoryWorld_Sample_Reports_Full.pdf

Data

AdvisoryWorld has collected and maintains a best-of-breed data series of asset classes, open and closed-end mutual funds, ETFs, variable annuity sub-accounts and separate accounts from leading sources such as Standard & Poor's, Wilshire Associates, Zacks and Lipper. AdvisoryWorld considers itself to be data agnostic. In certain situations, customer's proprietary data or 3rd party data may be appended to or replace the AdvisoryWorld databases.

- Asset Classes
- Open Ended Mutual Funds
- Closed-End Mutual Funds
- ETFs
- Stocks
- Variable Annuity Sub-accounts
- Bonds
- Hedge Funds
- Separately Managed Accounts

Integration

The AdvisoryWorld ICE application's open architecture lends itself to accepting data from third parties. To date, AdvisoryWorld has integrated data from several leading legacy accounting, performance reporting, portfolio management and CRM systems such as:

- Albridge Solutions (Web Services)
- Orion Advisor (Web Services)
- Standard & Poor's MarketScope Advisor (SSO)
- Sales Force (Web Services)
- RedTail (Web Services)
- AssetBook (Web Services)
- Advisors Assistant (XML)
- dbCAMS (CSV & DBF)
- Investigo (XML)
- LPL BranchNet (CSV)
- Schwab Portfolio Center (TXT)
- Integration with Legacy Systems

Administrative Control

A firm's administrators are handed the keys to control several aspects of an advisor's application through use of the AdvisoryWorld administrative module. Functional and product-specific permissions may be applied and roles designated at the Super-Administrative level. As mentioned above, a firm may deliver a series of recommended models and investment strategies to their child users (advisors) through this same interface. The Administrative module provides insight into the advisors workflow by reporting on elements such as login rate and usage, proposal opening vs. closure ratios and model and investment counts. The console provides a complete audit trail that monitors all system activity.

- Compliance
  - Suitability Checks
- Template Creation
- Application Usage Reports
- Model & Investment Management
- Proposal Closure Tracking

GLOBAL LOCALIZATION

AdvisoryWorld has localized it's applications for use in the Middle East and the United Kingdom.

- Language and Character Changes
- Address & Date Preferences
- Currency Preferences, Conversions and Comparative Calculations
- International Investment Data

Support

AdvisoryWorld's dedicated staff prides themselves on being able to answer real-world financial questions as well as computer oriented support.
The company delivers web-training sessions on a daily basis and provides a series of help files and instructional videos on its training website. Technical support is provided via phone and email from 7 AM to 5 PM Monday through Friday and via email from 6 AM to 10 PM 7 days a week.

Customization & Professional Services

AdvisoryWorld is the leading provider of customized applications to the financial services market. The Company has successfully delivered white-labeled modeling and proposal generation applications to firms such as SEI, Standard & Poor's, Jackson National Life Insurance, LPL and National Asset Management.

Whether report and interface branding is required or new calculations and functions are to be applied through use of MATLAB or other academic sources, AdvisoryWorld can build a new application to exact specifications.

- Custom Reports & Template Creation
- Chart & Graphic Building Engines
- Investment and Model Fact Sheets
- Data Handling
- AdvisoryWorld Reports are available through Web Services
    - Reports On Demand
- AdvisoryWorld Interface is available through SSO
    - Seamlessly access any of AdvisoryWorld's hundreds of engines
- Private Labeling with Branding
- Form Filling, Trade Execution and New Account Opening