

Asset Management Viewpoints: Risk Management

TRANSCRIPT

[Doug Getty]

Risk is in the eye of the beholder, and at Abbot Downing our clients know they can depend on us to align their asset management strategy with their appetite for risk. We invest the time to listen to our clients and understand their concerns and desires as well as their values. Our seasoned professionals not only have the educational credentials, but the wisdom that comes from guiding clients of similar wealth complexity through multiple market and economic cycles. Taken together, our quantitative and qualitative aspects of our risk management practice establish a strong foundation of trust and confidence.

[RaeAnn Mitrione]

From a risk management standpoint, one of the many benefits we bring to our clients is the simple act of rebalancing their portfolios regularly. After analysis of current market conditions, we then measure their portfolios against the appropriate guidelines and determine the best approach to reallocate their assets. For clients with substantial wealth or multi-generational portfolios, there are several factors to consider such as time horizon, income needs and tax consequences. For our taxable clients these decisions can be considered within the context of realizing gains against a tax budget.

[Doug Evans]

As a fiduciary for investors we bear a higher level of responsibility than the traditional advisor market to meet the obligations of regulators and auditors and employ the risk management and compliance policies that come from both Abbot Downing and Wells Fargo. Our oversight system uses a number of checks and balances to look out for client interests, provide a consistent approach, and help ensure compliance with industry standards and best practices.

[Carol Schleif]

A key advantage to the risk management processes within Abbot Downing lies in our access to a broad and deep team of experienced partners. Our risk management efforts address an extensive array of potential risks facing client portfolios. We perform activities such as background checks on proposed money managers, review audited financial statements and legal documents, and complete regular site visits to help ensure manager and operations are legitimate.

Clients appreciate how thorough our process is and the level of resources we commit to this area. Our risk management teams regularly test models and assumptions, verify data sources, examine counter-parties and perform analytics to help ensure that each investment and portfolio is performing as expected.

[RaeAnn Mitrione]

We hold regular portfolio reviews with our clients where we collectively examine how their investments are performing across both return and risk metrics versus expectations. The Abbot Downing performance analytics team has developed a variety of customized reports to provide each client the cumulative risk adjusted results of their portfolios. This allows them to evaluate how we're doing versus the benchmarks from the allocation decision, the manager selection or both.

[Carol Schleif]

Our teams have decades of experience managing large, institutionally-sized portfolios and overseeing financial affairs for individual clients with some of the most complex situations in the industry. And in this era of big data we've made tremendous investments to equip our teams with powerful analytical tools and risk management systems, so they can filter massive amounts of information and key in on specific factors that could

potentially impact client portfolios.

[Doug Getty]

From outlining how we work with clients to how we construct, monitor and manage their portfolios, we've made risk management an integral part of the investment process.

If you want to learn more about the guidance we provide including risk management, please contact your Abbot Downing relationship manager. Thank you.

Disclosures

Abbot Downing, a Wells Fargo business, provides products and services through Wells Fargo Bank, N.A. and its various affiliates and subsidiaries. Wells Fargo Bank, N.A. is a bank affiliate of Wells Fargo & Company.

Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses.

The information and opinions in this video were prepared by Abbot Downing for education and illustration purposes only. Information and opinions have been obtained or derived from sources we consider reliable, but we cannot guarantee their accuracy or completeness.

WCR-0617-00024