

## Your Partner for

- Client Risk Profiling
- Wealth Management
- Behavioural Finance Portfolios
- Asset Liability Management
- MiFID Compliance
- Product Design
- Client Satisfaction

the Future in Finance.

*Risk is how we perceive and experience it,  
not an abstract theoretical ideal.*

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## Structure your Advisory Process with Behavioural Finance.

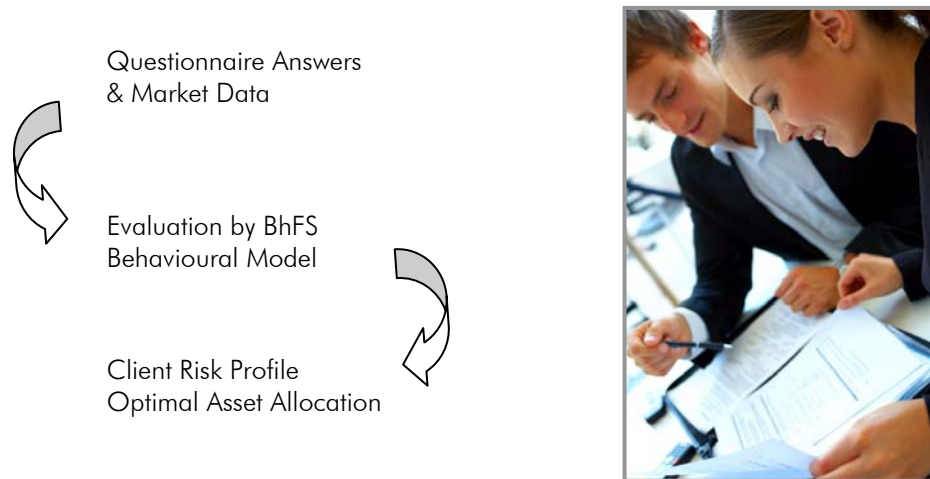
Evaluation	The purpose of an advisory process is to match each client with their best investment solution. This requires structure and quality in every stage of the process. An evaluation of your current advisory process, identifying how each step affects the client's satisfaction, is available.
Investor Questionnaire	With the principals of Behavioural Finance we identify the client's risk biases, preferences and risk ability.
Profile Building	The risk profile reflects how the investor experiences risk. The investor's definition of gains, losses, and risks are calculated with our model reflecting 50 years of advances in finance.
Portfolio Construction	See a portfolio the way your client does. What level of risk is your client content with, what asset mix will give him the most satisfaction? The strategic asset allocation we provide reflects the client's desired trade-off between risk and return.
Decision Support Tool	At times, client's return expectations don't match what can be offered given their risk profile. We provide the advisor with several decision support tools specifically for this problem. The advisor can appropriately adjust the risk level, and identify what requires further discussion.
Product Match and Design	Each client is matched to available products. For a good match, portfolios available do indeed need to reflect the needs of the clients. By designing products to reflect your client's needs, we help you ensure that clients do indeed receive the most satisfactory solution. The same principals can be applied to structured products; we collaborate in their design so that they satisfy the preferences and goals of clients.
Teaching	To further support you in gaining a competitive edge in the financial industry, we offer introductions to Behavioural Finance, continued by training specific to your needs, and executive teaching.



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## Client Advisory Process

Through understanding the client, the goal of the BhFS advisory process is to directly connect the client to his most satisfactory investment solution. The questionnaire identifies the needs and preferences of the client that are compiled to form a function which represents their decision making process, their value function. We identify several characteristics of the investor, as observed in behavioural finance: his loss aversion, reference point, reaction to extreme events, the trade-off between risk and reward acceptable to the client, and others. With this information we can determine his risk profile and utility function. Next, the investor's function is tested against financial market data, be it product specific data, or index data. All conditions such as investment horizon are included. With an IT solution provided by BhFS, specialized optimal portfolios are promptly accessible for daily use.



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## A Step Ahead of the Status-Quo

*Have a broad understanding of your client* – In the BhFS advisory process we consider several characteristics of the client, as compared to risk profiles commonly used today where only the risk aversion is considered. *Use an integrated process* – Structure the transfer of quality in every stage. The final result gives the best solution to every client.

**Behavioural Finance brings you in the lead.**



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## About BhFS

Behavioural Finance Solutions was born in the Swiss Banking Institute of the University of Zurich. The Partners are (from right to left), Mr. Dieter Niggeler, Prof. Dr. Thorsten Hens, Prof. Dr. Enrico De Giorgi, and Associate Mila Winter. Our goal is to disseminate and apply our knowledge to the banking world.

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