



# FinTech – Wealth Management

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TIMO PENTTILÄ

# Asset Management Technology

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Excels to SQL database

**WHY**

*STP – API – Webservice – FTP*

Cost Savings

Open Finance

User Experiment

Regulations

People risk

Consolidation of AM Business

# Wealth Management

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Portfolio Managers – Asset Management Companies

Private Bankers

Private Equity Companies

Fund Management Companies

Alternative Investments

(Institutional Investors)

# Big Traditional Players

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# Asset Managers Finland - Example

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Nordea

OP

Evli

eQ

Elite Alfred Berg

United Bankers

Taaleri

Aktia

Front Capital

S-Pankki

Capman

Finlandia

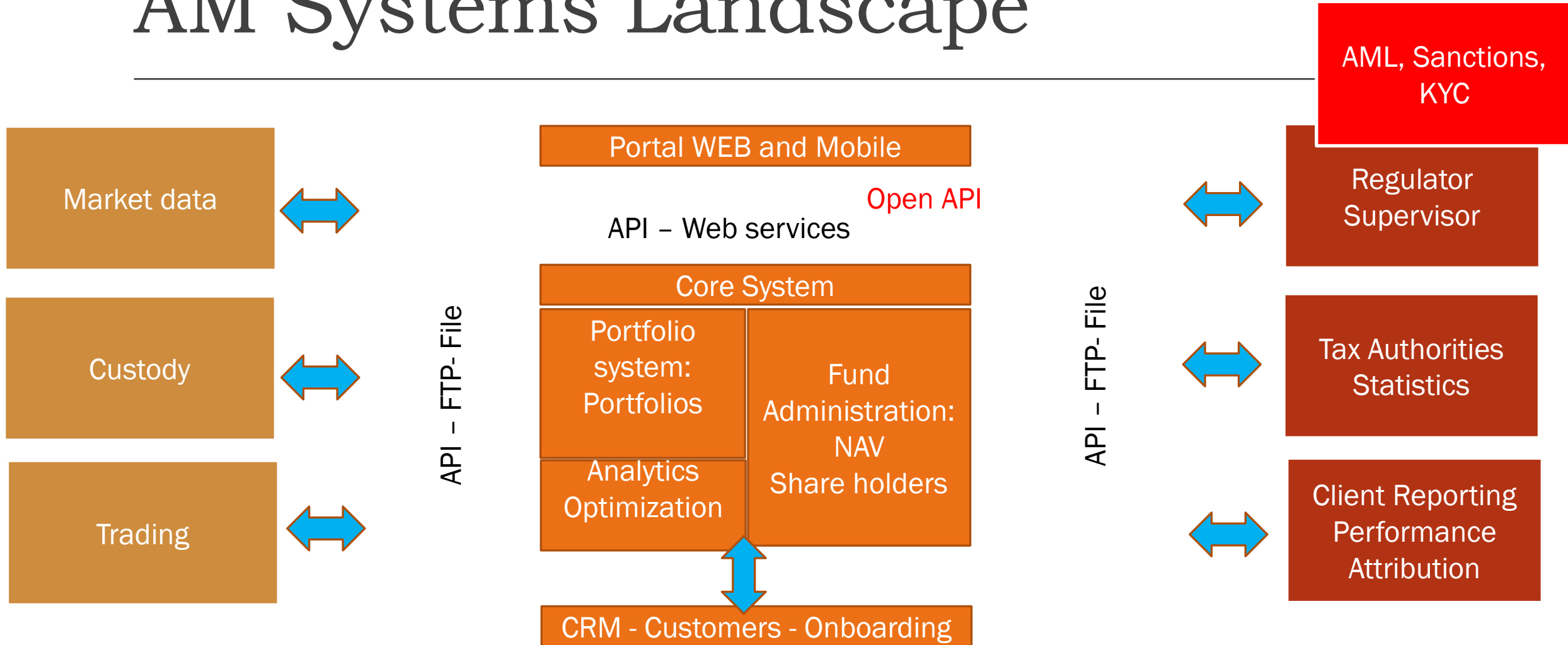
Mandatum

Index Helsinki

LähiTapiola

SEB

# AM Systems Landscape



# Users of Technologies

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Backoffice

Portfolio Manager

Sales

Compliance

Risk Management

Top Management

# Automation

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- Back-office automation
- Investment evaluations
- Alternative investment platforms
- AML, Sanction Screening
- Bond investment platforms
- Bespoke reporting and analytics
- Fund management
- Workflow automation

AI



# Regulation Behind

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**MiFid II and MiFir** regulations purpose is to strengthen investor protection and improve the functioning of financial markets making them more efficient, resilient and transparent

Conduct of business and organisational requirements for investment firms

Authorisation requirements for regulated markets

Regulatory reporting to avoid market abuse

Trade transparency obligation for shares

Rules on the admission of financial instruments to trading

\*Markets in Financial Instruments Directive



# MiFid Technology Needs

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CRM (Customer Relation Management)

KYC know your customer

Risk assessment

Reporting – Cost and charges

Trade reporting

High-frequency-trading -

Access to trading venues – Stocks, Funds, Bonds,,,,

# Robo Advise

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## Why

- Digital user experience
- More efficient – cost cutting
- Neutral service – unified quality

## Who

- Banks
- Private banks
- Fund companies
- Embedded Finance companies

# Robo Advise

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## Onboarding

- Online Questionnaire and Assessment
- Asset allocation and portfolio recommendation (Stocks, Bonds, ETFs and Funds)

## Recommendations

- Portfolio view and performance reporting
- Risk based rebalancing of allocation
- Algorithmic based rebalancing of portfolio
- Limits

## Automation

- Fully automatic Investment
- Self-learning algorithms
- Automatic allocations
- Limit monitoring
- Reporting
- Alerting

# Algorithmic Trading – High Frequency Trading

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Transformation from human to digital trading enables computerized trading

Algorithmic trading is a process for executing orders utilizing automated and pre-programmed trading instructions to account for variables such as price, timing and volume

- Order execution
- Arbitrage
- Trend trading
- High frequency trading

Artificial Intelligence , Neural networks

Example: Hedge Funds using

# Algorithmic Trading

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## Why

- Profit making
- Cost cutting

## Who

- Hedge Funds
- Brokers
- Institutional investors

# Portfolio Management

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## Portfolio analytics

- Bloomberg
- Reuters

## Portfolio optimization and risk management

- Barra
- Paliside

# Investment Fund Regulations

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Regular Funds: The directive on [undertakings for collective investment in transferable securities \(UCITS\)](#)

Alternative Funds: The [alternative investment fund managers \(AIFM\)](#) directive

The [European venture capital funds \(EuVECA\)](#) regulation



# Investment Fund Regulations

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## Reporting

- Regulator
- Custodian
- Investors

## Risk

## Limits rules

## Net Asset Value

- Holdings
- Valuation of assets

# Investment Fund Regulations

## KIID

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Key investor information document (KIID)

- all types of investment funds
- insurance-based investments
- retail structured products
- private pensions

# KIID

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## Content

Investment Objectives and policy

Risk and return profile

Cost and charges

Past performance

Other information

## Production

Standard and harmonized layout

Plain language

## Distribution

Timely production to regulator and public

- Supervisory agency
- Investors
- Other counterparties

Standardized production process

# Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Global Opportunities Access - Global Equities, a sub-fund of Global Opportunities Access, USD-hedged F-acc (ISIN: LU1189806620)

This sub-fund is managed by UBS Fund Management (Luxembourg) S.A. (the "Management Company"), which is a member of the UBS Group.

### Objectives and investment policy

The investment objective of the actively managed sub-fund is the substantial appreciation of assets in the long term by seeking direct or indirect exposure to primarily global equities. The reference currency of the sub-fund is EUR.

This actively managed sub-fund uses the Reference Benchmark Index, a composite of 90% MSCI World EUR-hedged and 10% MSCI Emerging Markets in Euro, as a reference for portfolio construction, performance comparisons and risk management. For hedged share classes of the sub-fund, the corresponding hedged Reference Benchmark Index is used, if available. Whilst part of the portfolio may be invested in the same instruments and with the same weights as the Reference Benchmark Index, the Portfolio Manager may use their discretion to invest in companies not included in the Reference Benchmark Index in order to take advantage of specific investment opportunities. Therefore, the performance of the sub-fund may diverge strongly from the Reference Benchmark Index during periods of higher market volatility.

In order to implement the investment strategy, the Portfolio Manager may invest in different types of investment instruments such as single equities, deposits, shares or units of UCITS or other UCI funds, UCITS eligible certificates, and

derivative instruments. The sub-fund may gain strategic positions in global equities, and will tactically develop a leveraged exposure (both long and short) to global equities markets by the use of derivatives.

For liquidity purposes, the sub-fund may hold money market instruments, cash or cash equivalents.

The sub-fund is exclusively available for discretionary mandates of UBS.

Investors may demand to redeem their units every normal bank business day in Luxembourg.

The sub-fund may enter into securities lending transactions.

The income in respect of an accumulation share class is not distributed but is retained in the sub-fund.

This share class is currency-hedged meaning that, using derivatives, the base currency of the sub-fund is to a large extent hedged into the share class' currency.

**Recommendation: This sub-fund may not be appropriate for investors who plan to withdraw their money within 5 years.**

### Risk and reward profile



#### More about this rating

- The risk category is based on return volatility over the last five years. The method used for this estimation depends on the type of fund.
- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may vary over time.
- The lowest category does not mean 'risk free'.

#### Why is this fund in Category 6?

The fund is exposed mainly to equities, via indirect investments. The risk category is therefore driven by equity market fluctuations.

#### Further material risks:

- The use of derivatives to generate leverage could impact fund returns.
- A portion of the fund may be exposed to less liquid instruments where bid-ask spreads and the price impact of trading might increase significantly under adverse market conditions.
- No Capital Guarantee exists for this product so investors can lose their entire investment.
- Use of over-the-counter derivatives exposes the fund to potential counterparty default risk

### Charges

The charges you pay are used to pay the costs of running the sub-fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

#### One-off charges taken before or after you invest

|                   |       |
|-------------------|-------|
| Entry charge      | 3.00% |
| Exit charge       | 0.00% |
| Conversion charge | 3.00% |

This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.

#### Charges taken from the fund over a year

|                 |       |
|-----------------|-------|
| Ongoing charges | 0.61% |
|-----------------|-------|

#### Charges taken from the fund under certain specific conditions

|                 |      |
|-----------------|------|
| Performance fee | none |
|-----------------|------|

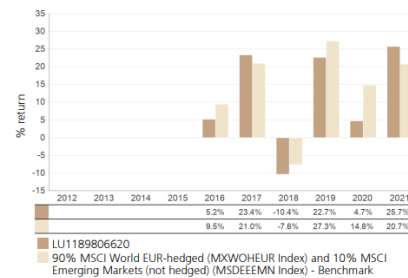
The **entry charge** shown is a maximum figure. In some cases you might pay less – you can find this out from your financial adviser.

The ongoing charges figure is based on the last twelve months prior to the preparation of this document. This figure may vary from year to year. It generally excludes:

- Securities lending related costs and Portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information, please see the charges section of the Fund's prospectus, which is available at [www.ubs.com/fml-gwm-funds](http://www.ubs.com/fml-gwm-funds).

### Past performance



#### Performance in the past is not a reliable indicator of future results

The chart shows the class's investment returns calculated as percentage year-end over year-end change of the class net asset value. In general any past performance takes account of all ongoing charges, but not the entry charge. If the sub-fund is managed against a benchmark, its return is also shown.

The sub-fund was launched in 2014. The Class was launched in 2015. The past performance is calculated in USD.

### Practical information

#### Depositary

UBS Europe SE, Luxembourg Branch

#### Further Information

Information about Global Opportunities Access and its available share classes, as well as the full prospectus and the latest annual and semi-annual reports, can be obtained in English and free of charge from the fund management company, the central administrator, the custodian bank, the fund's distributors or online at [www.ubs.com/lu/en/asset-management](http://www.ubs.com/lu/en/asset-management). Other documents are also available.

Details, including how to handle complaints, the strategy for exercising the fund's voting rights, the guidelines for handling conflicts of interest, the best execution policy and the current remuneration policy, including a description of the calculation method for remuneration and benefits as well as the responsibilities of the remuneration committee, can be found at [www.ubs.com/lu/en/asset-management](http://www.ubs.com/lu/en/asset-management). A printed copy is available free of charge on request.

**Swiss representative:** UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, CH-4051 Basel.

**Paying agent:** UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich and its branches in Switzerland

**To obtain documents:** The prospectus, key investor information and articles of association, as well as the annual

and semi-annual reports, can be obtained in English and free of charge from the representative and at [www.ubs.com/fonds](http://www.ubs.com/fonds). The currency of the share class is USD. The price of shares is published on each business day and is available online at [www.fundsquare.net](http://www.fundsquare.net).

#### Tax Legislation

The fund is subject to the tax laws and regulations of Luxembourg. Depending on your own country of residence, this might have an impact on your investment. For further details you should consult a tax adviser.

#### Liability Statement

The Management Company may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus of the Fund.

# Open Finance

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European Union Initiative (Regulation expected 2023/2024)

**Make financial data more accessible to customers in a wider range of services and platforms**

- **Investing**
- **Pensions**
- **Savings**
- **Accounting....**

**Financial Institutions must provide APIs to access data**

# Fintechs / AM

UPRIGHT  PROJECT

impact  
cubed 

 SimCorp

digia

tieto  
EVRY

 allfunds  
blockchain

 Infront

 REUTERS

 Crosskey

 FA  
SOLUTIONS

 Nordnet

 LYNX

Bloomberg

# Example Software - Programming Tools

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Excel

MATLAB

R

Julia

Python