



PRAAMS

Personal Risk, Analysis, and Asset Management Service

b2b.praa.ms

Presentation for Asset Managers
Sep 2024

Executive summary

Professional solution for automated research, risk management, and portfolio management
120,000+ global stocks, bonds, ETFs, FX, crypto etc.

White-label, customisation, and turn-key options via API, web & mobile

Solutions: (1) scale-up, (2) expand EAM, and (3) enhance analytics and portfolio management

Value: +70% revenue and -40% costs

vs competitors: ultra-fast, 5x cheaper, the best portfolio modelling tool, full investment decision-making cycle, 1 week to integrate

PRAAMS

Web and mobile IT solutions for
research, risk, and asset
management

Professional CFA-level research, risk,
and portfolio methodologies
employed by global institutions

Fully automated data
collection, evaluation, analysis, and
report generation

White-label and API integration

50,000+ stocks
60,000+ bonds
(10,000+ ETFs and crypto
coming soon)

Key team

Risk management, equity and fixed income research, and IT risk professionals at brokers, asset managers, investment banks, and stock exchanges in EMEA and North America since 2005

Responsible for \$1.5 trillion of assets under risk and 20 million individual clients

1,000+ individual client cases analysed



Rinat Kirdan, CFA

Co-founder, CEO



Kseniia Liagushkina

Co-founder, COO

PRAAMS – your gateway to the future of asset management

” *Asset Management as a Service: a hyper-personalised approach for each client, 24/7, and low-cost
Advanced IT solutions in research, risk analytics, and portfolio management make this possible
Early adopters win by scaling up, improving performance, boosting client LTV, and lowering fees* ”

CFA Institute Research Foundation, Marc Reinganum and Kenneth Blay. "Beyond Active and Passive Investing: The Customisation of Finance", 2024
World Economic Forum and Accenture. "The Future of Financial Advice", 2024

PRAAMS is a fully automated and scalable IT solution for hyper-personalised cross-asset-class research, risk analysis, and portfolio construction & optimisation at 1/100th the cost to empower the existing teams

Affordable even to smaller asset managers and family offices thanks to low initial and ongoing costs

Accessible via API, web, and mobile, it can be white-labelled and integrated within one week

New landscape: Who are the clients?

AS IS

- ✓ Fully customised solutions are available only to high-ticket clients (institutions or UHNWIs) due to the high cost of data, research, risk management and portfolio construction & rebalancing
- ✓ HNWIs must settle for partially customised solutions through the existing pooled investments like funds or ETFs to keep business segment economically viable

TO BE with PRAAMS

- ✓ Fully customised solutions are available to all clients because they are fully automated and thus inexpensive
- ✓ Even mass retail can meet its unique objectives, constraints, and preferences (various risk and return factors, cash flows, liquidity, ESG, etc.), making this segment profitable

New landscape: How do they invest?

AS IS

- ✓ Rely heavily on personal advisors through occasional interactions
- ✓ Client pooling
- ✓ Pooled investments (funds, ETFs, etc.)
- ✓ Constant regulatory pressure due to conflicts of interest, information asymmetry, and misselling

TO BE with PRAAMS

- ✓ Rely on advanced IT systems with 24/7 access through various media
- ✓ Separately managed accounts
- ✓ Unbundled assets
- ✓ No regulatory pressure, as advanced technology ensures information is comprehensive, unbiased, and available on demand

PRAAMS: Analytics & Risk Management

Instant analytics and risk management

White-label reports on 50,000+ stocks and 60,000+ bonds (10,000+ ETFs & crypto soon) available 24/7 in one click

Personalised trade ideas

Hundreds of trade ideas customised for the client's unique investment preferences & mandate

Pre-trade risk warnings

To enhance regulatory and mandate compliance, both the asset manager and the client receive the comprehensive view of any asset, accompanied by an easy-to-understand explanation

PRAAMS: Portfolio Construction & Optimisation

Portfolio creation from scratch

- ✓ The asset manager can create efficient, customised portfolios for every client from a 110,000+ asset universe across 21 parameter in less than one minute
- ✓ The asset manager can also create in-house ETFs and model portfolios and pay no external fees

Portfolio analysis with personalised monitoring

- ✓ The system can analyse millions of prop and client portfolios, provide detailed reports, and monitor a wide range of customisable alerts
- ✓ Market and asset information is updated daily

Portfolio optimisation

- ✓ The asset manager or the client can initiate automated portfolio optimisation – by single asset, by risk & return factors, or through full-portfolio – including regular rebalancing recommendations
- ✓ It takes just 5 seconds to optimise any portfolio

Benefits and opportunities (1/3)

Lead competition in a changed landscape

- ✓ A unique product offering leads to lower CAC, higher LTV, and growing client base of all sizes,
- ✓ Ability to scale up significantly and serve existing clients at 100x lower costs,
- ✓ Win through new competitive factors such as customisation, global coverage, ultra-fast speed, etc.

Meet rising compliance & regulatory requirements

- ✓ Clients always have 24/7 access to their portfolios, including analysis of the portfolio and each individual asset,
- ✓ The asset manager enjoys an improved reputation with the client, regulators, administrators, auditors, and others

Benefits and opportunities (2/3)

Stronger portfolio performance through lower fees and costs

- ✓ Thousands of new client-tailored trade ideas, unachievable through manual, people-driven operations
- ✓ In-house, no-fee ETFs eliminate external fees and reliance on external providers
- ✓ Hundreds of model or topic-focused portfolios and customised strategies
- ✓ Trillions of portfolio parameter combinations to find your gems and avoid market overcrowding
- ✓ Seconds to iterate between various options, supported by immediate analysis

Cost-effective

- ✓ Increased profits through lower operating costs and unlimited scaling opportunities
- ✓ Enhanced quality of income and improved valuation multiples for the firm

Benefits and opportunities (3/3)

Technology to augment people

- ✓ The asset manager builds trust and strengthens client relationships by automating routine tasks
- ✓ Affordable for smaller asset managers and family offices thanks to low initial and ongoing costs
- ✓ Can be white-labelled and integrated within one week

Unlimited External asset management opportunities

- ✓ With ultra-low cost and full automation, you can efficiently serve clients of other asset managers,
- ✓ EAM operations can be profitable, even when managing small portfolios and charging minimal fees

Products

Research & risk analysis

Ready: web, API & mobile for 110,000+ stocks, bonds & FX

Sep: 10,000+ ETFs & crypto

Portfolio analysis & optimisation

Ready: stocks + bonds + FX

Sep: ETFs & crypto

Portfolio construction

Ready: stocks + bonds + FX

Sep: crypto

Contacts

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Book a meeting

<https://calendly.com/rinatkirdan>

Appendix I – web interface

5 Company C > Profitability

Overview
Valuation
Performance
Analyst view
Profitability

Above average

RoE RoA RoCE

RoE TTM: 46%
RoE 2023: 8%
RoE Peers TTM: 32%
RoE Peers 2023: 14%

46%. Consensus analyst expectation suggests that RoE will decrease to 8% in 2023, which is better RoE beating the peers by 14ppts in the TTM FY22.

5 Company C > Valuation

Overview
Valuation
Performance
Analyst view
Profitability

Fairly valued

Valuation score

| Multiple | TTM | 2023 |
|-----------|------|------|
| P/E | 25.4 | 21.2 |
| PEG | 3.0 | 2.7 |
| P/B | 42.1 | 18.5 |
| P/S | 6.1 | 5.8 |
| P/FCF | 24.2 | 23.5 |
| EV/EBITDA | 19.1 | 18.7 |

Relevant multiples into account, the stock is fairly valued. Specifically, it is overvalued by PEG, though it is undervalued by P/E, P/FCF and P/B ratios.

6 Apple Inc.

Equity | US | Technology

RISK RETURN

Default risk Valuation
Volatility Performance
Stress-test Analyst view
Selling difficulty Profitability
Country risks Growth
Other risks Dividends

Key risks factors

- ✓ Low default risk
- ✓ Good trading liquidity
- ✓ Modest price volatility

Key return factors

- ✓ Very strong margins and returns
- ⊘ Greatly overvalued vs peers
- ✓ Fair dividends

Compare with peers

Appendix I – web interface

The image displays several overlapping screenshots of the PRAAMS web interface. The top-right screenshot shows search filters for 'EMEA' and 'Communication Services', a 'PRAAMS Return-Risk ratio' slider set to 5, and a list of 48 companies meeting search criteria, including 1&1 AG, Saudi Research and Media Group, Etihad Etisalat Company, and Deutsche Telekom AG.

The middle screenshot shows a comparison between 'Anglo African Agriculture Plc' (GOOG 13.75% 12-Apr-58) and 'Apple Inc.' (AAPL). It features 'Return factors' and 'Risk factors' sections with horizontal bars representing scores for various metrics like Valuation, Performance, Market view, Profitability, Growth, and Coupons.

The bottom-left screenshot provides a detailed market view for 'Anglo African Agriculture Plc'. It includes a 'Rated as 'Hold'' gauge, a line chart showing 'bpts' from 12-Apr-23 to Today, and a summary text: 'The bond is 'cheaper' than its peers based on spread analysis and the benchmark yield curve dynamics.' A sidebar on the left lists navigation options: Overview, Valuation, Performance, Market view, Profitability, Growth, Coupons, Default risk, Volatility, Stress-test, Selling difficulty, Country risk, and Other risks.

Appendix I – web interface

The image displays several overlapping screenshots of the PRAAMS web interface, illustrating its optimization and analysis capabilities. The main interface features a 'Construct' tab with 'Required parameters' and 'Optional parameters' sections. The 'Required parameters' section includes sliders for 'Total return' (set to 4.5), 'Total risk' (set to 3), and 'Investment strategy: Moderately aggressive' (set to 3). The 'Optional parameters' section includes fields for 'Portfolio name' (Test-port), 'Region' (North America), 'Country' (N. America, Canada), 'Sector' (Technology), and 'Industry' (Consumer electronics, Communication Services). The 'Asset class proportions' section shows Stocks at 65%, Bonds at 24%, and Cash at 11%. The 'Currency' section has checkboxes for USD, EUR, JPY, GBP, AUD, and CNY. The 'Market capitalisation' and 'Amount outstanding' sections have checkboxes for different size categories. A 'Construct' button is at the bottom right.

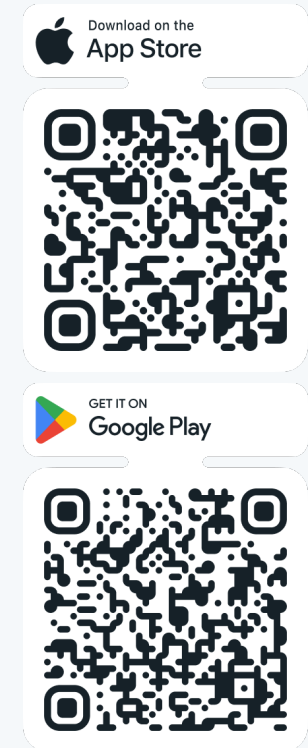
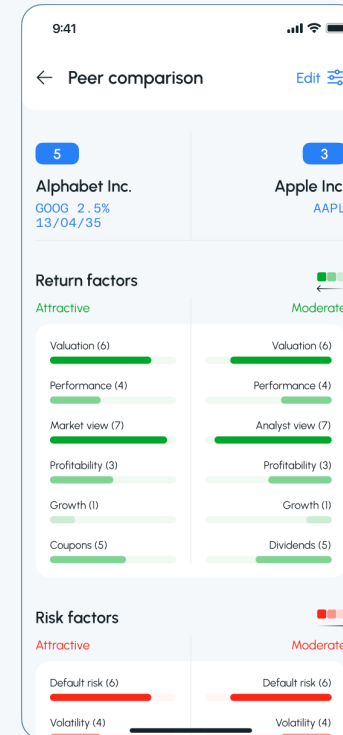
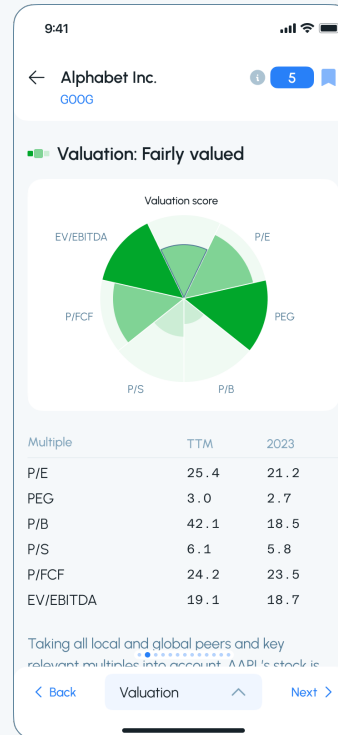
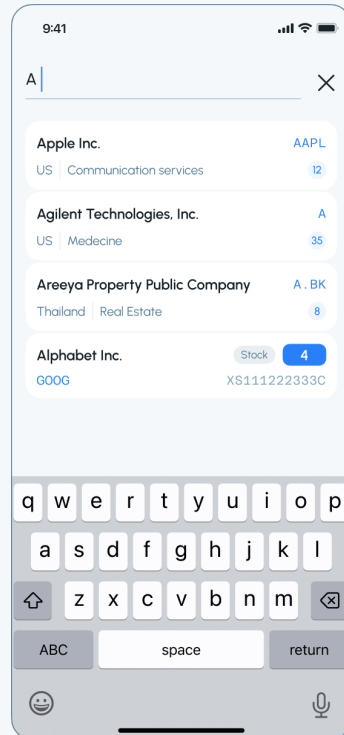
Overlaid on this is a 'Valuation: 5' window showing 'Top-3 assets':

- Apple Inc. (NASDAQ) [AAPL] Stock: 5, 7 (ISIN: US123456789A)
- Apple Inc. (Next) [] Stock: 6, 7 (ISIN: FRYYY1234567)
- [] Bond: 4, 6 (ISIN: XS11122333C)

Another window, 'Optimise by factor', shows sliders for 'Total Return', 'Valuation', 'Total Risk', 'Volatility', 'Stress-test', 'Selling difficulty', 'Country', and 'Other'. It includes a legend for 'Attainable values', 'Current values', and 'Unattainable values' and an 'Optimize' button.

A third window shows 'Parameters' for a portfolio, including 'Total Return: ≥ 5', 'Total Risk: ≤ 2', 'Investment strategy: Moderately aggressive', 'Asset class proportions: Stocks 65%, Bonds 24%, Cash 11%', 'Region: N. America, S. America, E.', 'Currency: USD, JPY', 'Sector: Technology', and 'Market cap: Small, Mid, Large'.

Appendix I – mobile interface (iOS & Android)



Appendix II – stock analysis report

Alphabet Inc. **GOOG** US Communication services

For client@gmail.com
18.12.2022

PRAAMS

Alphabet Inc. **GOOG** US Communication services

For client@gmail.com
18.12.2022

Valuation: Fairly valued

| Multiple | T1M | 2020 |
|-----------|------|------|
| EV/EBITDA | 25.4 | 21.2 |
| PEG | 3.0 | 2.7 |
| P/B | 42.1 | 18.5 |
| P/S | 6.1 | 5.8 |
| P/FCF | 24.2 | 23.5 |
| EV/EBITDA | 19.1 | 18.7 |

Taking of local and global peers and key relevant multiples into account AAPL's stock is fairly valued. Specifically, it is overvalued by PEG, P/S and EV/EBITDA rates vs all peers though it is undervalued by P/B, P/FCF and P/B ratios.

Performance: Mixed

AAPL demonstrated mixed performance over the last year. It outperformed its selected peers on 3-month horizon when it added 2% and on 6-month horizon when it lost 2%. However, it has recently underperformed the selected peers adding only 1% in the last month. Over 12-month period it added 5% while the selected peers added 7% on average.

Alphabet Inc. **GOOG** US Communication services

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Growth: Strong

EPS

Revenue

EBITDA

FCF

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Risk Return

Analyst view: Rated as 'Hold'

Average target price suggests \$5 as 'hold' and is interpreted as one Green sufficient number of analyst recommendation can be viewed.

The most optimistic analyst forecasts USD 170 per share, which is rated as being between 'hold' or lowest target price of USD 134 per share and thus it can be viewed as 'sell'.

Key risk factors:

- Low default risk
- Good trading liquidity
- Good on price shock

Key return factors:

- Strong margins and returns
- Greatly outvalued vs peers
- Very poor or no dividends

Corporate actions & dividends

Dividends of USD 2.34 per share, record date 24-Jan-2024
Split 2:1 announced for 19-Jun-2024

Company profile

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide. The company offers iPhone, a line of smartphones; Mac, a line of personal computers; iPad, a line of multi-purpose tablets; and wearables, home, and accessories comprising AirPods, Apple TV, Apple Watch, Beats products, and HomePod. It also provides AppleCare support and cloud services, and operates various platforms, including the App Store that allow customers to discover and download applications and digital content, such as books, music, videos, games, and podcasts. In addition, the company offers various services, such as Apple Arcade, a game subscription service; Apple Fitness+, a personalized fitness service; Apple Music, which offers users a curated listening experience with on-demand radio stations; Apple News+, a subscription news and magazine service.

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Profitability: Above average

RoE

RoA

In FY22 Apple reported return on equity (RoE) of 26%. Consensus analyst expectation suggests that RoE, as compared to the selected peers, Apple has better return on equity, beating the peers by 24pts in FY. To be on par with the peers in FY23.

In terms of growth rates, revenue has demonstrated mixed dynamics. After a two-year growth of 16% FY21 is expected to stay negative next though the market consensus anticipates the revenue growth to be 1%. Apple's revenue demonstrates seasonality with its 4Q revenue being on average 4% higher than in the secondarily effect away. Apple's revenue does not demonstrate any momentum, neither does EPS. On a growth stock due to poor and highly variable growth of revenue and net income.

Dividends: Top bucket

Dividend paid

Dividend yield

Net margin

EBITDA margin

Apple reported strong net margin over the last years, and the dynamics is expected to continue in 2023 and 2024, according to consensus analyst estimates. At the same time Apple's net margin has been and is expected to stay slightly below that of the selected peers.

RoC / WACC = 2.1
(strong value creation)

The ratio of return on invested capital (RoC) to weighted average cost of capital (WACC) is 2.1. This implies very strong creation of shareholder value. On this metric Apple is ahead its selected peers, which can boost RoC / WACC ratio of only 1% (median shareholder value creation).

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Default risk: Insignificant

The risk of default is minimal. We note robust profitability, solid return on capital, strong debt servicing capacity, adequate interest coverage, and solid cash flow generation, among the positive credit factors. Among the negative credit factors, we point to low historical revenue growth, successive margin volatility, poor working capital management, and an unbalanced capital structure.

Volatility: Moderate

In normal market circumstances, AAPL is as volatile as an index. Put differently, without outstanding market volatility or shocking company news, the stock's price will remain relatively stable. Nonetheless, it exhibits a low volatility. The stock's losses on its worst days (less than -1.5% of the time) will range from very low to minimal. We would also like to point out the minimal intraday volatility of the instrument. Finally, we must downgrade its risk score due to insufficient trading history.

Stress-test: Good

In highly turbulent market conditions, AAPL is move with the index. In other words, the stock will negligible in times of outstanding market volatility or shocking company news. Nonetheless, the worst-day losses (less than 1% of the time) will likely be very low. At the same time, due to insufficient trading history, its maximum losses could be limited.

Selling difficulty: Good liquidity

AAPL boasts high liquidity (i.e., selling difficulty is quite low). An average private investor can sell his common position in the stock immediately. The liquidity is usually very stable and does not differ much from its typical values. In particular, the stock's market turnover remains favourable on the days with the lowest activity. The trading volume stays mostly the same even under highly turbulent market conditions.

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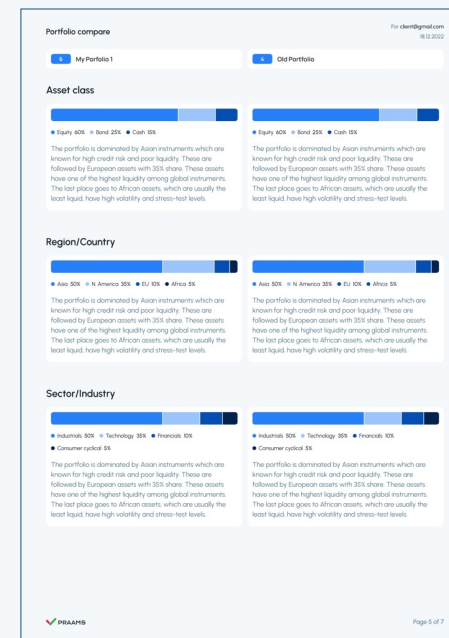
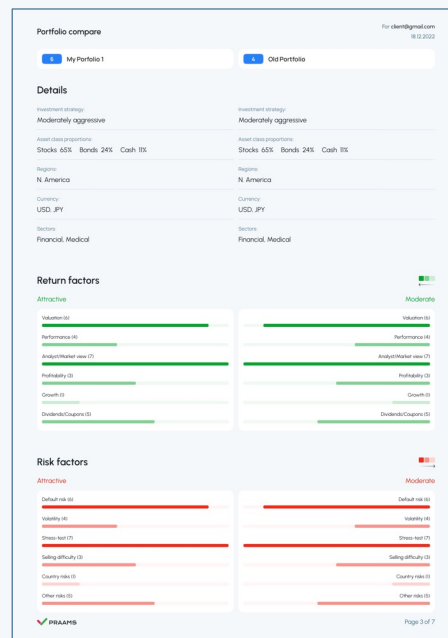
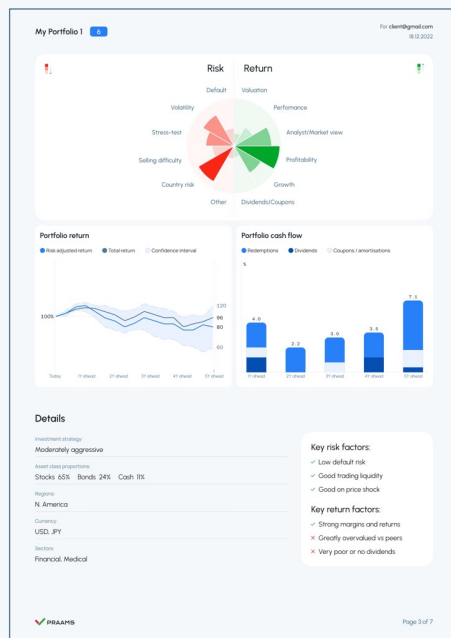
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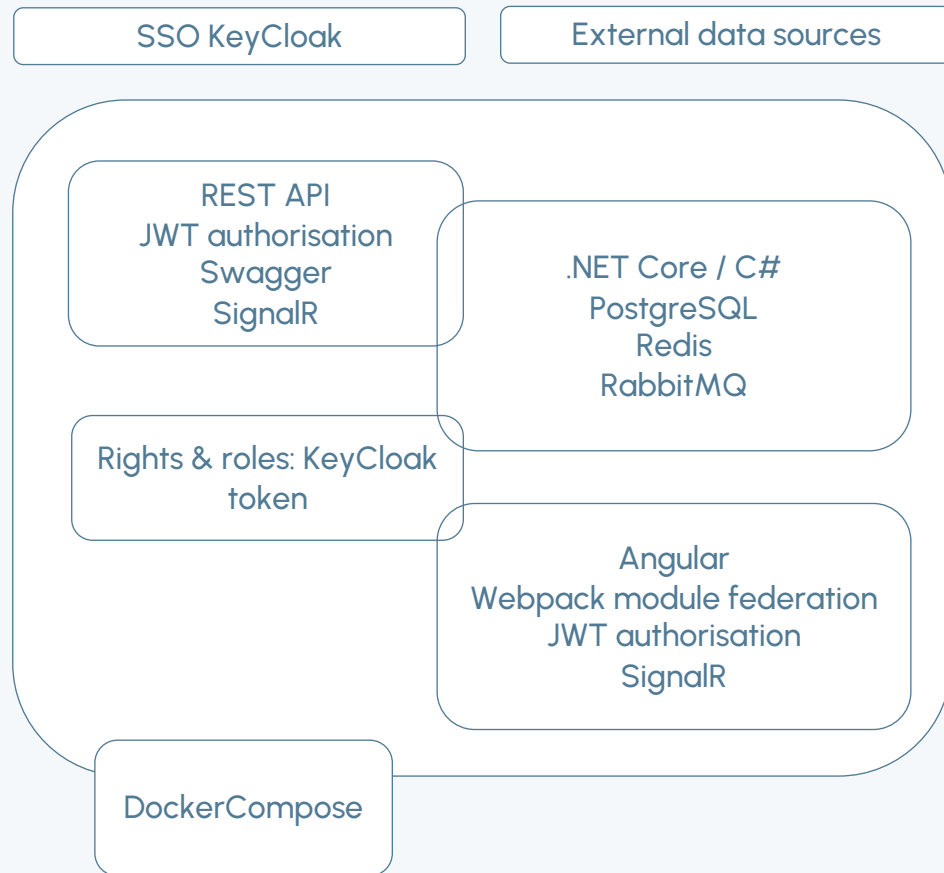
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Appendix II – portfolio analysis report



Appendix III – IT stack

CORE



MICROSERVICE

