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December 2021

d1g1tal
newsletter

Happy Holidays
from the d1g1t family and
all the best for 2022!
d1g1t

From the CEO

Welcome to this end-of-year, special holiday edition of the ***d1g1tal* Newsletter**.

While we are now almost two years into this pandemic, we have been incredibly fortunate and are thankful to continue working with an ever-growing community of clients, partners, investors and friends. We really couldn't ask for much more.

This year, we closed a great funding round led by *CI Financial:* a strategic partner and increasingly dominant wealth management force in Canada and the US. We welcomed to the d1g1t family two new investors with the prominence of *National Bank of Canada* and US-based Fintech VC *Mission OG*. More than anything, we've been very busy implementing many new clients, as well as working with new strategic partners, such as *IPC* and *Raymond James Investor Services*. And all of this, while we continue developing our great platform and growing the team to over 90 people!

The confidence that you all continue to place in us validates our unique value proposition and highlights how d1g1t has become the preferred choice for innovative wealth management firms, who are eager to empower advisors with the most sophisticated technology offering in the industry. *Andy Newcomb*, Partner at Mission OG and d1g1t board member, puts it best: "The company's rapid growth and early adoption by some of the top U.S. wealth management firms is a true testament to its unique value proposition to provide advisors with the digital tools and analytics to create more meaningful advice and client experiences."

In the end, it's all about the team! So I want to take this opportunity to especially thank the amazing d1g1t team for all the hard and creative work which make this company special – a fact that all our stakeholders can also attest to. As we look into 2022, I'm truly excited for what's to come, and can't wait to see what this team is able to accomplish!

We wish you and your loved ones a happy and healthy holiday season, and all the best for a hopefully amazing, and more normal, 2022!

Enjoy this Newsletter and we love to continue hearing your comments and suggestions.

Dan Rosen

In this edition

- **In conversation with** Jason Pereira, Partner & Senior Financial Planner Woodgate Financial Inc.
- **d1g1t Viewpoint** - a selection of d1g1t editorials and published opinion pieces
- **d1g1t Platform Updates** - an overview of recently released product features
- **d1g1t in the News** - a summary of recent press releases and d1g1t profiles
- **Meet the d1g1t Team** - Ray Huang, Operations team

In Conversation with Jason Pereira

Jason Pereira is first and foremost a financial planner who has lived and breathed topics related to financial planning for over 20 years. In that time Jason has become a recognized writer, commentator, speaker, podcaster, teacher, and expert in the areas of financial planning, practice management, and fintech. He has also obtained two degrees, nine professional designations, been nominated for or won over 30 industry awards, and produced over 100 articles, podcasts, and interviews.

Jason sat down with us recently to talk about what lies ahead for the wealth management industry.

What do you see as the greatest gaps in wealth management technology platforms in the industry today?

In the United States, the level of technological integration and digitization of every part of the advisor experience has been improving for a long time. In Canada, we were behind, but now we're starting to catch up. Still, there are several gaps that we're seeing.

The first one is access to clean data -- quick and easy access to custodial data to be able to make timely investment recommendations. In the United States, custodians offer open APIs and in many cases, in a few clicks you can be integrated. We don't have that in Canada yet, broadly speaking. The other data-related issue, one that spans the U.S. and Canada, is that to date, most data tend to be siloed with software, so it's difficult for advisors to own all their data in one place.

Lack of integration between systems is another problem that is being worked on. For example, d1g1t and Conquest Planning are partnering on a number of integrations. That is going to be a big play in the next five years for a lot of financial technology companies – getting the platforms to talk a more deeply with each other.

The other major gap is that there are a lot of client portals out there, but they're usually tied to custodians, portfolio management software or other software providers, so advisors have to choose which of their provider's portals is going to be their front end. What really is has been missing is an independent company to build the integrations on the back end and lets you customize the drag-anddrop experience on the front end.

How does d1g1t's platform address these shortcomings?

First off, the fact that d1g1t's platform is modern is very much a plus. There has been similar technology in the market, but even in the U.S., it's not as robustly architected in terms of the ability to visualize and do attribution analysis. In Canada we haven't had anything this good.

For example, the fact that I can open a window and immediately get a state of the business report is already night-and-day compared to what I was living with before. The visualization aspect is key – I don't have to go pulling up reports in 12 different places.

The platform also has a lot of responsiveness in terms of being able to click down into further information. The platform has made the progressive disclosure aspect very approachable, enabling me to get more data and insights as I need them. It's a very dense software. It looks light on top, but when you drill down, it gets very dense, where I'm able to go deep on the attribution and portfolio analytics side.

The other thing the platform provides is the ability to do goals-based reporting quickly and efficiently. The ability to say to a client, "Here are your retirement accounts and how you're progressing on your goals. Here are your accounts for education, here's how you're doing on them," is crucial. It gets us away from just chasing returns and focusing on what really matters, which is outcomes.

How do you see the capabilities of d1g1t's platform translating into advantages for clients?

Advisors are able to communicate with the client in a more intuitive way. The problem with the reporting in our industry is that it's designed around compliance requirements of what must be disclosed. At the end of the day, most portals aren't designed for experience.

The d1g1t front end is designed to relay that same information in a much more experience-centric manner. It makes it less about a bunch of numbers that people have a hard time understanding and more about lines, bar graphs and other user-friendly visuals.

At the end of the day this is making my life easier in terms of preparing for client meetings, which increases the time I have to concentrate on relationships. This only benefits the clients by allowing me to focus on their needs.

Where do you see innovation in the wealth management industry headed, and how will it benefit advisors and firms?

I'll tell you where it's not headed. Often the engineering and consulting rationale for making advisors' lives easier is based on scale: If I can free up advisors' time, they can take on more clients.

Here's the problem with that view: The one factor that doesn't scale is the advisor's mind. The question becomes, what kind of experience do I want to provide my clients? Do I want something where the second I pick up the phone, I know who they are, what they're going through, where their kids are going to school? That sort of thing I can keep straight in my head because I'm only dealing with 60 to 100 households. Or do they want an experience where I put them on hold so I can get up to speed?

The reality is that access to investments is highly commoditized. Profit polarizes in two spaces: the highly commoditized, call center-style experience, which advisors are not going to win, and the highly experiential and deep relationship-driven end. The second end is where advisors can provide the value to justify the delta between what they charge and what the commoditized platforms charge. So, when consultants and engineers say this'll help advisors handle more clients, that's the wrong way to think about it. The smart advisors are using technology to shift towards a smaller number of households with deeper relationships.

d1g1t Viewpoint

Must-Have Tech Tools to Succeed in HNW and UHNW Wealth Management

Serving HNW and UHNW investors has always been a demanding task. Such investors not only have needs that are far more complex than the average investor, but they require a greater level of attention. More than ever, having the best tech platforms is a critical part of serving these types of clients.

Read further in **Wealth Solutions Report**

Do No Harm: The First Rule When Considering New WealthTech

About a decade ago, many within the industry debated whether advisors embracing technology was a do-or-die proposition, with many taking the position that it wasn't. Now, virtually everyone appreciates the value of tech. But in striving to improve your technology, it's important to never deliver less while doing so.

Read further in **Digital Wealth News**

2021 ARPM Quant Bootcamp: Machine Learning & AI in Wealth Management

d1g1t's CEO, Dr. Dan Rosen, was a keynote speaker at the Advanced Risk and Portfolio Management Quant Bootcamp on August 20th. His workshop focused on the application and impact of Machine Learning and Artificial Intelligence tools in Wealth Management, and why the power of these technologies lies well beyond automation.

Read further in **here**

Solving the Build-It vs. Buy-It Dilemma for Family Offices

"If you've seen one family office, then you've seen precisely one family office" — with many family offices often as unique as the clients they serve. Modern third-party platforms today can deliver both a customizable and cost-effective solution to family offices — a development that could render the build-it-or-buy-it debate moot.

Read further in **InvestmentNews**

Why You Need a Grown-Up App for Clients

Without an attractive, user-friendly mobile application, wealth managers are swimming against the current in today's digital environment. The simple fact is that if one of your clients is online, there is a good chance they are using an app. A lack of functionality will limit your ability to offer holistic advice and planning services.

Read further in **ThinkAdvisor.com**

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d1g1t Platform Updates

Track Compliance

d1g1t has released it's compliance studio, which is designed to help compliance officers perform their supervisory duties. When a client is onboarded to the d1g1t platform, firms can create an investment mandate that governs how funds are to be invested. A mandate can cover a single account or span a group of accounts within the same household.

Investment mandates capture information about the client's investment objective, investment horizon, risk tolerance and can be associated with an overall risk profile, which helps recommend a default investment strategy and investment restrictions. In the latest version, firms can impose a variety of restrictions, including:

- Asset allocation restrictions, which establish a minimum, target and maximum level of exposure per asset class, sub-asset class, strategies, etc.
- Total portfolio risk restrictions, which establishes a minimum and maximum level of portfolio risk. Risk can be measured using Maximum drawdowns, Volatility, Value-at-risk or using a Portfolio Risk Score.

Advisors and supervisors can track compliance of mandates for the entire book of business in the Track Compliance section,. The system automatically flags mandates associated with compliance violations.

d1g1t in the News

d1g1t Fuels Continuing Growth with New Fundraising Round

June 24, 2021

PR Newswire

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d1g1t Announces a strategic partnership with Raymond James

October 6, 2021

PR News Wire

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2021
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PROVIDERS
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Wealth Professional names d1g1t a 5-Star WealthTech Provider for 2021

October 30, 2021

Wealth Professional

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Meet the d1g1t Team

Ray Huang

Ray (don't call him Raymond) was born in Taiwan and spent his childhood moving between California, Taiwan and Vancouver.

Today, Ray leads the Operations team at d1g1t, which is responsible for running its cloud infrastructure and ensuring 24x7 stability, security, and reliability for its clients. There is no one in the company with the encompassing understanding of how all the cogs of the d1g1t tech stack fit together: he started as a backend python developer, worked on CI/CD pipelines and the initial C# QLib migration, deployed/managed multiple cloud environments, designed the reports infrastructure, and implemented ETL. In addition, being surrounded by coworkers with (multiple) Masters and PhD degrees motivated him to become a CFA® charter holder. This combination of financial and technical knowledge, gives Ray a unique holistic perspective on the entire d1g1t system.

From Grades 1 to 12, he attended a total of 10 different schools. After graduating with a Computer Engineering degree at the University of Waterloo (and meeting the love of his life there), he settled in Toronto and proudly calls himself a suburban Torontonian for the last 15 years.

Ray has worked with the d1g1t founding team for the majority of his professional career. He started sitting in a dark windowless basement corner in the Fields Institute, where R^2 Financial Technologies was incubated, and then ended up several years later in a slightly brighter corner in the same basement for d1g1t.*

Once an avid piano player, he now spends his free time teaching music to his 3 kids and specifically how to appreciate jazz. To this day, he claims that his most lucrative job was playing piano in high-end restaurants while in high school. Unfortunately, he lost a bet with his mother on getting into Julliard, and thus he traded tickling ivories for hacking out code on keyboards.

A firm believer in democracy, Ray is very vocal on a certain country’s freedom and independence. Don’t let him get started on that topic unless you have a good 30 minutes to spare.

* Both d1g1t and R^2 were incubated at the iconic Fields Institute in Toronto.

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