

## Responding to market turmoil with predictive modeling of investor redemption behavior

### Confronting Turmoil

A leading investment management firm wanted to initiate more proactive steps to manage investor redemption activity in the face of financial market turmoil.

Complicating the challenge was the need to respond quickly to rapid deterioration in market stability with limited available sales and service resources.

### Modeling Redemptions

Aventine Partners developed a predictive model targeting unusually large investor redemption activity. Using demographics, investment account detail, and investor behavior data, the redemption model scored and ranked investors based on the predicted likelihood of a near-term withdrawal from the client's investment funds.

Unlike common approaches to managing redemptions, which rely on fund-level financial modeling, investor-level redemption modeling is used by the sales and marketing functions to proactively influence

### Challenge:

- Sudden need to respond to market shocks
- Uptick in redemption activity eroding high-value investor base
- Inadequate resources for shotgun approach

### Result:

- Ability to respond within three weeks
- Target list tailored to available calling capacity
- Drivers of risk identified to influence save programs

individuals' redemption decisions.

### The Ability to Respond

With this tool, the client has been able to focus outbound calls from sales and service representatives on high-value customers who are most at risk. Delivered within three weeks, the predictive model enabled action while market turbulence remained a concern and driver of investor behavior.

Subsequent programs to proactively manage attrition using the redemption model results are planned, including more scaleable mail programs and targeted save offers.

Customer Profiling  
Segmentation  
▶ **Predictive Modeling**  
Customer Valuation  
Marketing Strategy  
Capabilities Development  
Hosted Analytics

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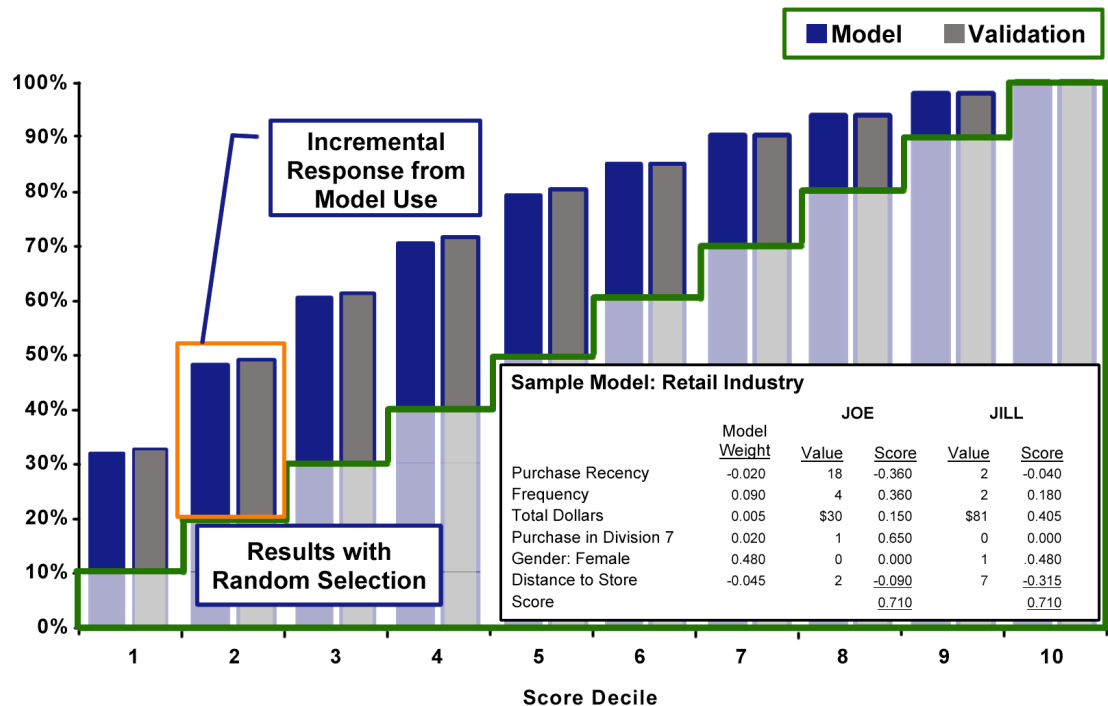
## Predictive Modeling with Aventine Partners

Targeting high-redemption risk investors was an application of Aventine's predictive modeling solutions.

Predictive models can identify customers and prospects most likely to respond to your acquisition, cross-sell, retention, or win-back marketing efforts. Customer transaction history, acquisition and service channels, and geo-demographic data can drive models that tell you where you should focus your sales and marketing investments and eliminate expensive efforts that will generate little to no results.

But good predictive models don't just tell you whom to target, they tell you why. Models from Aventine are not a black box. We guide clients through the model drivers and implications, providing greater insights about who responds and why.

### Aventine Predictive Models Provide Better Results and Insights



Without understanding the insights that drive list selection, marketers cannot target the creative and offer to develop the most effective campaigns. And insights generated about the drivers of responsiveness can launch entirely new strategies and approaches to growing your business.

**If you want to leverage your data assets to make better investments in sales and marketing, contact Aventine Partners for pragmatic approaches to getting started.**

