

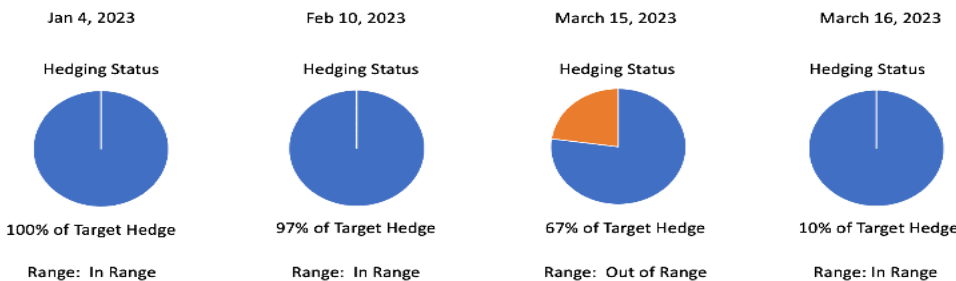
## Overview of the Configuration Tool: [Create Your Own Strategy](#)

The WiseRisk proprietary Configuration Tool is designed to accomplish two key objectives. First, for companies that already have an existing hedging strategy, the Configuration Tool can be used to automate that strategy. Second, for companies that want to customize their hedging preferences, the Configuration Tool can be used to customize the Strategy's Hedging Rules, Timing Rules, and Condition Rules. Specifically a company can customize the Target Hedge percentages, the Range, how frequently the portfolio generates orders to rebalance the portfolio, and at what exchange rates notifications will be sent to the company regarding exchange prices.

## Custom Rolling Approach: Cash flow and balance sheet risks

The Configuration Tool utilizes a Custom Rolling Approach for cash flow and balance sheet risks. The Tool has been designed to roll monthly, quarterly, or annually. The start date is at the beginning of the Rolling Cycle when the risk is identified and has a rolling date set for the end of the rolling cycle. If during the rolling cycle there are changes to the projections or the company identifies new financial categories it would like hedged on its balance sheet, or if the exposure pushes the currency risk outside of the 10% range, the Configuration Tool will generate forward trades to offset that new risk. The start date of those forwards will be at the time the company executes those trades and the rolling date will be at the end of the rolling cycle. Below is an illustration of a hypothetical example:

A Company has a \$1,000,000USD exposure to the JPY on Jan 4, 2024. The Company has set its Target Hedge to 65%. \$650,000USD of the JPY risk is hedged. On Jan 4, 2024 it is 100% on target. However, on Feb 10, the company sees a reduced risk of \$19,500. That risk equates to a reduction of only 3% of the risk and does not meet the 5% range required for the Custom Strategy to automatically rebalance. On March 15, 2024 the company experiences an increased risk of \$208,065 (this is net of the \$19,500 of reduced risk). That equates to an increased risk of 33% which exceeds the 5% range. Immediately, the Strategy automatically generates forward orders to mitigate that risk. The company executes those orders the very next day and the risk is rebalanced to a 100%



## Unique Transaction Approach: Event Risk

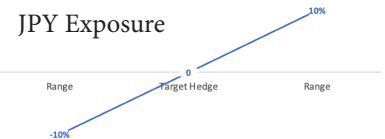
The Configuration Tool can be used to hedge one time, unique, or short-term contractual risks often referred to as "Event Risk". As with the Custom Rolling Approach, a custom percentage of the currency risk will be hedged and if at any time there are changes to the Event Risk that push the risk outside of the desired range, the Strategy will automatically rebalance and generate orders to offset that new or reduced risk. However, unlike the Custom Rolling Approach, the start date and end dates will be different and the company will take delivery or pay the monies at settlement. The start date will be the date at which time the Event is identified and the end date of the forward contract will be the date the Event is to occur.

### "Business as Usual"

The Configuration Tool allows companies to operate their day-to-day activities throughout their Rolling Cycle confident any financial categories utilizing the Strategy is hedged at the forward contract rate. As a company receives or pays monies, the company can do so freely knowing they are locked into the forward rate regardless of the exchange rate they may receive on the day of actual payment.

### Active Management

**1. Automatic Strategy Re-balancing**  
Once a currency exposure drifts outside of the set range, the Strategy will automatically generate hedging trades to offset the risk. Below is an example of a 10% range.



**2. Real Time Data Collection**  
Any changes made to financial projections/forecasts, balance sheets, or unique events are captured in real-time and forward trades to offset any new risks or reduced risks are generated.

**3. Price Optimization**  
The Custom Strategy includes access to the WiseRisk Conditions Tool. The Conditions Tool notifies a company when exchange rates meet the company's desired rate. This allows companies an opportunity to take advantage of that rate when possible.

**4. Financial Netting**  
WiseRisk's Intelligence Based technology nets any currency risks that can be offset within the organization. This eliminates unnecessary hedge trading.