

PeoplesFinancials

THE POWER TO CHANGE THE FINANCIAL GAME

PeoplesFinancials Foundation

Making capital markets work for everyone



By participating in or supporting this initiative, you have the power to change the financial game.

PeoplesFinancials is the missing piece of the puzzle to foster greater economic stability. In the wake of the financial crisis, ordinary people are distrustful of the banking and investment machine – a system that has shown it does not have their best interests at heart. Policies and regulations can only go so far when subjectivity is so influential; PeoplesFinancials can reduce dependence on personal opinion and belief.

PeoplesFinancials proposes the means to empower small investors, providing them with the most complete transparency of financial products available. With an objective product quality index and an educational program delivered regularly and in a variety of forms to appeal to each consumer, ordinary people will regain control over their investment decisions.

And they will invest more, and more wisely. On the one hand, their newfound knowledge will make them feel more secure and confident in their decisions. On the other hand, they will understand the impact that their investments in listed companies, which are the backbone of a modern economy, ultimately have on their own standard of living.

Mission

To empower ordinary people to invest with confidence and security, and to foster social and economic stability.

How

By becoming the most widely-used information center for the assessment of product risk around the world.

What

The platform comprises three facets:

Education: how to understand capital markets, recognize risks to product security, and use the product quality index and services.

Information: objective and transparent knowledge of the products.

Working tool: information technology enabling the monitoring, comparison, sorting, notification and management of product risk.

“A world where financial products are treated as a mere commodity by all.”

- Michael Heijmeijer, co-founder

The effects of the financial crisis

In 2008, financial institutions caused the biggest economic crisis the world has known since the Great Depression. Pushing illiquid, complex financial products, not easy to assess, and without adequate capital holdings to cover their commitments, certain banks crashed overnight, others required immediate government bailout, credit became nearly impossible to obtain, economic activity slowed dramatically and investor confidence plummeted. Capital markets collapsed.

The repercussions are deep and wide, and it is the person in the street who bears the brunt. The impact on consumer wealth is estimated in the trillions of US dollars. People in many countries have lost their homes and their jobs. They have less income and fewer means of extending it. Because of government bailouts, the credit crunch has affected, and is still affecting, economies around the world, causing social unrest and discontent, for example, in Greece, Portugal and Spain.

Ordinary people are paying the price

While the most obvious cause is that the banks over-leveraged as a result of easy lending, critics also point to the failure of credit-rating agencies and investors to accurately assess the risk with mortgage-related products. But how can investors—the public, who represent 90% of the money invested in capital markets—be expected to understand the intricacies of the products?

They must rely on the subjective ratings of the few agencies that exist and on the counsel of their financial advisors.

The entire economy suffers

But it's not just the small investor who is affected. It's every person in the street. Economies depend on investments and capital markets. Companies and governments raise funds to finance their operations, investors seek opportunities to improve capital returns and hedge inflation. The exchange is done exclusively through the issue and trade of financial products, which are found everywhere. And as markets globalize and technologies make it simpler to trade, and some investors requesting ever more sophisticated, lower entry and tailor-made offering, volatility in markets will undoubtedly increase. It will not take much to turn the public completely off investing.

The mere threat of a major sell off or stagnation in trading activity would be enough to cause a total meltdown of our economic system.

The risk, therefore, to the small investor, but ultimately to the economy, will remain high. And for a long time to come. For today, despite increased standards (MIFID), regulations (Basel II) and oversight councils, assessing risk remains the domain of the financial industry. Only when the layperson benefits from an equal playing field with product issuers and investment banks, when s/he has access to objective evaluations and transparency, will the balance of power shift and the world become more stable.

The solution is in your hands

You have the power to change the financial game. PeoplesFinancials can help you do it now. So far there have been no fundamental changes to the status quo, and next time we may not be so lucky. PeoplesFinancials can enable you to empower the small investor by providing objective risk assessment of financial products, and transparency leading to greater understanding of the financial machine.

Armed with such knowledge, small investors will feel more in control, and confident and secure when investing. Overall, this will lead to increased market stability, because greater confidence and understanding reduce the risk of bubbles forming and bursting. In addition, it should boost the economy as the people who have avoided capital markets, because they don't understand the risk involved or don't trust others to decide for them, will inject more of their savings into them.

PeoplesFinancials is the solution you have been looking for to protect the consumer, foster greater market stability, and aid in the prevention of another global financial crisis. The foundation becomes key to maintaining a balance between capital markets, the public and the industry. Read on to discover how we intend to do this.

Changing the game – PeoplesFinancials

PeoplesFinancials is a foundation that aims to empower small investors and help governments foster greater market stability.

To achieve these aims, we harness the power of information technology to give the person in the street greater control over their investments. In so doing, we will provide a cost-effective, readily-available and turnkey solution for governments and regulatory bodies that will aid in the prevention of financial crises and the protection of small investors.

Helping the players improve their skills

The key to investors gaining control over their portfolios, to becoming self-reliant, is understanding.

They must be able to:

- assess the security of a given product to invest independently with confidence
- compare and contrast this with alternative products to make better decisions
- easily keep up to date on trends and events to take timely action to preserve or improve their investments
- evaluate trends and extrapolate events to anticipate impact and consequence
- contain and communicate risk

PeoplesFinancials can provide the means to understand through a combination of:

- **an existing, and constantly updated global database with multi-dimensional sorting and data-mining capabilities**
comprising every financial product that retail trades around the world – over 12 million of them – the largest database of its kind
- **a powerful search engine**
providing real-time access to factual information on these products free of cost
- **a quality index of product risk**
supplying real-time access to security information on these products, expressed as a risk value between 0 and 100
- **interactive alerts on product security, trends and intelligence**
programmable by investors to provide the information they need as soon as it is available
- **contextual intelligence pushed to investors**
delivering up-to-the-minute information on trends and events that will impact product security, through social media; and product-related facts, observations and trends through a regular newsletter and market report
- **a periodic global live update on product intelligence and trends**
explaining the interactivity of financial products, systemic risk and contagion risk, relative to actual events, through a conference program with global media coverage
- **videos on PeoplesFinancials**
educating the public in layperson's terms on how the market works

With transparent, objective and up-to-the-minute information at their fingertips, and the opportunity to gain understanding of the broader context and better anticipate impact, the public will be able to access the capital markets according to each person's own appetite for risk, and feel secure and confident when investing.

A chance for the entire economy to win

Enabling the person in the street to take back control of their own money and their own future plays into a very real concern for consumers today. The financial crisis revealed the hold the financial and banking sectors have over people's everyday lives, increasing the mistrust they feel for the power base and institutions. PeoplesFinancials can help governments restore balance by giving them the means to break the current paradigm and strike a blow for the consumer and the society they represent.

In addition, the objectivity PeoplesFinancials will inject into the investment-decision process represents a win in and of itself. Governments can control or influence lending conditions, monetary policy and the regulatory environment, but they cannot control personal beliefs and convictions. The solution to long-term stability can only be to reduce reliance on guesswork and blind faith.

Visibility leads to change

To change the game, we have to be considered a player, and it is therefore essential to put into place an effective strategy for recognition.

PeoplesFinancials believes that the first step is always **credibility**. The technological base on which our foundation will be built – the global financial product database – are established and respected. The human face of our foundation is reflected by our board, which represents, through its members' background, areas of involvement, and profiles, the importance this initiative has for the world economy and for improving people's lives. These are the cornerstones of our credibility.

Goodwill will form the first layer of our structure. With the help of organizations that appreciate the advantages that come from a more stable world, where the ordinary person feels secure, we will be able to finalize the infrastructure we need. This goodwill will come in the form of donations and endorsements from these organizations and the people at their heads. Such organizations clearly see that individual and social insecurity have intensified in the last few years around the world, in the wake of the financial crisis. They are acutely aware that, as a result, economic and political stability have been affected, as have trade and industry, and they wish to contribute to an initiative that can contribute to redressing the balance.

With the support obtained, the final elements of the **infrastructure** can be developed. The search engine will take approximately six months, once our credibility and goodwill have been secured. At the same time, we will begin to develop our communications vehicles – the social media plans, editorial calendars for newsletters and reports, and conference programs detailed in the previous section – so as to be ready to launch in the months following.

Our first communication effort will aim to immediately make PeoplesFinancials **mainstream**. Journalists are busy people under pressure. They are always looking for a good story, backed by facts, and that requires the least investment of time. By allowing the media access to the PeoplesFinancials database at no cost, they will gain a constant, reliable source of information to produce new stories that credit us, as well as becoming experienced users and, surely therefore, advocates for the services we offer.

In parallel, we will roll out a campaign to encourage product issuers to systematically feed the database and **keep it up to date**. In return, they will receive product intelligence and trends that are relevant to them, ensuring that each participant finds the system mutually beneficial. This will be the key to ensuring the sustainability of our foundation.

Sustainability effects real change

Our foundation must ensure its own longevity if it is to have a real impact on the world. As mentioned, the first and most important aspect of this is constantly updated source information. Secondly, we will need to maintain awareness of our existence, to continue to attract new users, and demonstrate our value – in short, we will need to build our brand. Thirdly, we will need continued funding to maintain the technological relevance of our platform and support the services we will provide.

Social media for the widest reach

Social media provides us with powerful means to communicate with all of our target audiences. Whether through LinkedIn groups, Facebook pages and groups, or Twitter hashtags, we can make sure investors, journalists and the world are aware of what is going on with PeoplesFinancials and with the capital markets and the economic situation.

Contact list for privileged information

Users of our database and other services will be asked to sign up for privileged information in the form of product intelligence and trends that we will publish. Their contact details will be entered in to our mailing list, and they will regularly receive information that is pertinent to them.

Special news for the media

To pursue our mutually beneficial relationship with the media, we will regularly let them have “special product intelligences”. As users of our platform, journalists will also be able to sign up to receive privileged information, and will be able to indicate that they are with the media. Such news will be sent directly to these reporters as an exclusive.

Seal of approval for transparency

PeoplesFinancials has two main values: objectivity and transparency. Our platform ensures objectivity, and we strive for maximum transparency, but this also depends on the transparency of product issuers. By awarding a seal of approval, in association with financial market authorities, to product issuers who reveal all, we nurture our relationship with them, and we build the brand of the foundation as an advocate for the small investor and a protector of economic stability.

Self-supporting initiatives

The services we offer must be able to support themselves. To change the game, basic access to the database and safety index must be free, so that everyone can have access to the objective and transparent information on financial products. Once the value of the foundation has been seen, additional services, specifically selected by users, can be charged for. These include non-price information, such as trends, interactive alerts on product risk, and targeted intelligence and news. Another source of revenue is more traditional advertising on the PeoplesFinancials website.

Results show the change

Our objective is ambitious: with the establishment of our foundation, we expect to start the ball rolling towards a new world order, where order rather than chaos is the operative word. But how will we know whether our initiative is working unless we measure it? By our widespread use of technology, such measurement becomes relatively easy. Our dashboard will include:

Our investor reach

- The number of subscriptions – access will be free of cost, but users will be required to sign up and log in
- The number of subscriptions to value-added services (alerts, newsletters, reports)
- The number of followers and likes on different social media channels

Our media reach

- The number of re-tweets and shares of written communications
- The number of views and shares of visual communications such as videos or slideshows
- The number of features (in-depth articles) and mentions, including being cited as a source, in the media

Our authoritative reach

- The number of ties established with financial market regulators

Final

PeoplesFinancials is a unique opportunity to educate by leveraging new technologies to allow anyone invested in capital markets to enjoy security and understand the impact one has on the economy.