



## CASE STUDY

# Riskalyze's Investment Policy Statement Benefits \$160M AUM Practice

*Advisor Tim Russell drives smarter investor behavior with Riskalyze to grow his practice and keep clients happy*

With offices in Wisconsin, Maui, and Utah, Tim Russell gets opportunities to connect with investors all over the country on a regular basis.

Those clients that Tim works with are unique individuals, each with their own interesting stories.

When he's in Wisconsin, Tim might spend a fall morning in a deer stand hunting for bucks with one client, before leaving that meeting to drive further into the countryside to meet with a couple who owns a trout farm.

It's not all that uncommon for Tim to be found in these types of situations. He estimates that upwards of 90% of his client meetings happen outside of one of his office locations.

It's all part of what he does to make sure that clients feel comfortable, heard, and understood. Tim enjoys building the kinds of personal relationships that have turned his practice into a five-person, \$160 million AUM outfit.

As unique as each client may be, they all share one common characteristic: They know their Risk Number. Tim puts Riskalyze at the center of each client relationship because of the positive change it can affect in a person's life as they experience the ups and downs of a lifetime of investing.

As a result, Tim builds stronger relationships that lead to a stronger commitment to staying invested and stronger understanding of how a client's investments support their life's goals.

## TAKING STEPS TO A STRONGER RELATIONSHIP

When his work first begins with a new client, Tim has a defined process that allows him to get to know them and what they need.

It all starts with financial planning by assessing what a client has accumulated up to that point. But even more important than discussing what a client has is discussing how they feel about it.

This analysis of how they feel about investing amounts to a psychological assessment, which is funneled through the Riskalyze experience.

“Advisors can always make the binder thicker if a client wants to see how the watch works,” Tim says. “But I find it more valuable to keep it simple so I know for sure that clients understand what we are trying to accomplish.”

By starting with Riskalyze and using it to ensure clients know why they're being invested the way that they are, Tim builds stronger relationships from the very start.

## GETTING A COMMITMENT

While it's important that each client understands their risk tolerance and investment strategy that aligns with it, that doesn't mean much if they can't commit to sticking with it.

Thankfully, Tim has his relationships dialed, and Riskalyze gets to play a role in helping Tim reinforce them.

“Riskalyze’s Investment Policy Statement (IPS) is invaluable to my practice,” he says. “When I create an IPS for a client we can review it together, but they also can sign off that they agree with it and approve it. There is commitment and power to that process.”

Tim creates an IPS with each new client and is in dedicated efforts to go back and create one for every client he has served for years.

Tim says the IPS strengthens his value to his clients because it demonstrates more than a feeling about if a portfolio is over or under-performing. It puts into perspective what a client should expect from their portfolio, based on a psychological approach to their own comfort with risk.

As a result, Tim no longer thinks twice about having a conversation with a client who is worried about their neighbor having a higher performing portfolio. He knows that he can always point one of his clients back to their IPS and how their expectations should be compared to the plan, not the top of the market.

The IPS explains clearly the range a portfolio might experience under normal circumstances to set client expectations firmly in line with their behavioral analysis from the Risk Assessment.

Now, if a client feels that their risk comfort has changed, it's simple to go back and adjust the portfolio to match any shift in how they want to approach investing.

## SHARED UNDERSTANDING FROM THE BEGINNING

Riskalyze does more than strengthen existing relationships—it also helps Tim win more new business.

In the current financial climate, investors have access to more options and more information than at any point in history—and it's not even close.

But that access doesn't necessarily correlate to a more informed investing population.

“With everything available today, you would think investors would be less confused about investing, but I don't find that to be true,” Tim says. “People are busy and they don't have time to learn it all. So they want to connect with someone they trust who can make things simple for them instead of more complex.”

In those critical first meetings, explaining investing through the lens of risk helps to connect the importance of behavior to successful investing in a practical way and reduce the confusion that many of those investors feel when they reach out to Tim for help.

“From what I’ve seen, Riskalyze increases my chances of connecting with a potential client and influencing their decision to work with me. If I would have had Riskalyze during the financial crisis of 2007, it would have had a dramatically positive impact on my conversations.”

## Leave Fear to Someone Else.

Give clients the right perspective on risk so you can put the focus on making the right investment decisions.

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*This advisor has requested to remain anonymous—their firm and name have been changed.*

Riskalyze is the company that invented the Risk Number®, which powers the world’s first Risk Alignment Platform and was built on top of a Nobel Prize-winning academic framework. Advisors, broker-dealers, RIAs and asset managers use the Riskalyze platform to create alignment between clients and portfolios, leverage sophisticated analytics to increase the quality of their advice, automate trading and client account management, and access world-class models and research in the Riskalyze Partner Store — all with the mission of empowering the world to invest fearlessly. To learn more, visit [riskalyze.com](http://riskalyze.com).



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