



RISKALYZE CASE STUDY

Minding the Gap

How one investment advisor representative diagnosed a prospect's longtime, underlying anxieties in minutes by uncovering their risk tolerance had been "off" by 55.

MEET TIM

For the last 40 years, Tim Beeman has been a staunch advocate of putting risk tolerance front and center of his clients' financial plans. So when Tim recently revealed to an anxious prospect that they'd been invested as an 82, rather than their actual Risk Number® of 27, it underscored just how powerful risk assessment can be – and how quickly an advisor can go from just providing a financial plan to becoming a trusted counselor, with the right data in hand.

THE CHALLENGE

Tim Beeman knows what it means to leave a lasting legacy. For the last 40 years, he's been carrying the torch that was handed down through more than 280 years of Beeman pioneers and entrepreneurs establishing businesses across the U.S. Today, as the owner of TJ Beeman Advisory Group and a trusted fiduciary for individuals looking to retire, Tim believes that one of the most critical parts of continuing any legacy is to understand each individual's tolerance for risk.

"The market will always go up and down, and so will clients' expectations," said Tim. "So, as an investment advisor representative, the only way we can show that we're heading in the right direction is to prove that our clients are in the right investments."

Tim's approach to assessing client risk tolerance has evolved many times over the last four decades. In the past, he's expanded upon existing questionnaires to better capture client behavior, and asked clients to sign agreements stating they agreed with their risk assessments.



"It was about 1995 when I had a client come into my office telling me she was unhappy. After I asked why, she replied, 'You only made me 24 percent of return this year, and my sister was up 32 percent.' That was a perfect example of how little many of our clients really understand about why we look at risk tolerance."

TIM BEEMAN
FOUNDER, TJ BEEMAN ADVISORY GROUP

ENTER RISKALYZE

In 2017, Tim was introduced to Riskalyze and immediately noticed how simple the Risk Number made having complex conversations with clients. "It immediately gave me a fallback to tell my clients, 'Here is the systematic approach we took to assess your tolerance for risk,'" said Tim.

Specifically, it was one engagement with an old friend – turned prospect, and eventually client – that really put the Risk Number to the test.

A CLOSE CALL

Tim received a worried email shortly after Christmas from an old friend, deeply concerned that her finances were in jeopardy. The woman, age 62, had recently retired, along with her husband, age 67, who together had a total of roughly \$2 million in assets.

"I was happy to run her and her husband through the Riskalyze questionnaire to figure out why she was so anxious," said Tim. In just a couple of hours, he input the couple's investments into Riskalyze, compared the outcome with their Risk Number, and was astounded at what he found.

The couple had been invested as an 82, but their actual Risk Number was a 27 – it was no wonder they were terrified.

"This moment of clarity led to an immediate sense of urgency – there was no arguing that we needed to move, fast, to get them invested within a risk tolerance they were comfortable with."

Within a few months, the couple had transferred most of their higher-risk assets to Tim. He moved some of their investments to annuities and bonds and gave them a much brighter outlook for their retirement so they could continue to grow their wealth without unwanted risk.

Eventually, Tim says, they will likely transfer all of their assets over to him.

MORE THAN JUST FINANCIAL ADVICE

Tim reflected that one of the biggest value-adds of Riskalyze is its objectivity – especially when advising couples.

"Sometimes I find that people, especially when they're with their spouses, will have a hard time coming to terms with their risk tolerance. Often, they don't believe they are as risk averse as they really are."

Tim uses the risk assessment questionnaire to gather multiple opinions per household, which is a key part of having objective, data-driven conversations with couples who otherwise may get emotional during these types of interactions. In this way, Tim says, his job as an investment advisor representative can sometimes seem like that of a counselor.

"It's never just about the Risk Number – it's about the conversation they have around it. And while it may not be their 'Sleep Number,' it definitely helps them sleep at night."

FIDUCIARY RESPONSIBILITY

As a registered investment advisor representative, Tim says, you're choosing to put yourself in the role of fiduciary rather than salesman. "Riskalyze removes the biases you may have about prospects and clients and gives you the data needed to make sure you're putting them in the investments that are right for them."

Tim J Beeman is an investment advisor representative with First Advisors National (FAN), so when it comes to compliance, Riskalyze also plays an important role in fulfilling necessary requirements.

"It's no longer good enough to just assume someone is a 'moderately conservative investor' – that definition can mean anything to anyone. Riskalyze helps bridge the gap between what we think, and what we know."

Riskalyze has had a positive impact on 3 areas for Tim's firm:



CLIENT PROSPECTING



PORTFOLIO ANALYSIS



COMPLIANCE

Want to see how other wealth management firms like TJ Beeman Advisory Group are deploying Riskalyze? Sign up for a product demo at riskalyze.com/advisors and get to know the power of risk alignment.

Special thanks to Tim Beeman for his candor and commitment to empowering the world to invest fearlessly.

TJ Beeman Advisory Group is a financial services company that specializes in asset protection and retirement income products and services. Timothy J. Beeman is the principal owner of TJ Beeman Advisory Group. TJ Beeman Advisory Group only offers insurance products and services in states where licensed to do so. Investment advisory services are offered through First Advisors National, LLC ("FAN Advisors"). FAN Advisors is an investment advisor firm registered pursuant to the regulations of the U.S. Securities and Exchange Commission (SEC). Tim Beeman is an investment advisor representative of FAN Advisors and is registered to only offer specific advisory services through FAN Advisors. FAN Advisors does not offer insurance services. The FAN Advisors written disclosure document is available upon request; please review it for details regarding advisory services. FAN Advisors and TJ Beeman Advisory Group, Inc are independently owned and operated.

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.



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