

CASE STUDY

Advisor Brings Objectivity into Client Conversations With Nitrogen

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This tax-focused CFP uses objective data to help clients manage their relationships to money.

Ken Hodges has spent the last 15 years working alongside a wide range of clients to help them meet their financial goals. And today, as a financial planner for **Mariner Wealth Advisors**, he believes that managing money and managing client emotions go hand-in-hand – especially when given the data to back it up.

Ken Hodges knew that he wanted to help people reach their financial goals at an early age. Influenced by an investment-savvy uncle and intrigued by how the market worked, he started out preparing tax returns for a CPA firm at just 19 years old – and from there, worked with other CPAs to help them integrate financial planning into their practices. Eventually, Ken would transition to working as a financial planner and join **Mariner Wealth Advisors** in their Plano, TX office as a CERTIFIED FINANCIAL PLANNER™ and Enrolled Agent (EA).

Enter Nitrogen

It was at Mariner Wealth Advisors that Ken was first introduced to Nitrogen. “The traditional method of analyzing a client’s risk level involved a long questionnaire that asked a bunch of questions in a standard, horrible way,” said Ken. “Those templates never actually answered what a client’s comfort level was – Nitrogen completely changed the game.”

Ken advises a wide range of individuals, families, and top executives, and a big part of his focus is on tax and estate planning, risk management, and retirement planning. So having an objective tool that can get the job done – in a way that’s easy for the client to understand – is extremely important.

Setting Expectations

For Ken, one of Nitrogen’s stand-out features is the **95% Historical Range™**, which he says is instrumental in having more meaningful conversations with his clients and setting their expectations early on.

The 95% Historical Range illustrates the potential gains or losses a portfolio might experience over a six-month period and transitions the client’s focus away from “What will my return be?” to “What is my comfort level?”. Investors make better decisions when they understand what is “normal” for their portfolio, and like many other advisors, Ken uses this data to keep his clients on track from day one.

“In the past, conversations about risk would dump a client into a risk category, and then would set an expectation tied to their investment return. Now, we can focus on their upside/downside comfort level, and when we hit a turbulent market, we’ll know how to course correct.”

Ken also regularly incorporates Stress Tests into his client meetings to reinforce their expectations and give them peace of mind knowing he’s considering all scenarios.

“Often, clients will want to know what will happen to

“Right away, I was immediately drawn to Nitrogen’s interface. It was easy to use, and most of all, I could finally build a portfolio based on meaningful data, rather than patterns from the past.”

their retirement, or how their portfolio will be impacted if we go through another 2008 market crash. Being able to visually show them what could happen, and walk through what we'd do in each scenario, has helped set their expectations and has even lowered the amount of phone calls I receive from clients."

The Emotional Side of Money

Ken notes that one of Nitrogen's greatest strengths is its ability to bring objectivity into client conversations. "People can be emotionally attached to certain stocks – maybe they worked for the company for many years or were gifted the stock from a loved one. Nitrogen helps us build a portfolio around those stocks to mitigate risk."

Ken incorporates Nitrogen's One-Click Fiduciary™ technology in **Nitrogen Trading** to lock in these certain stocks, and then trade around them to lower the overall risk of a portfolio.

"When you're able to show that a portfolio is a Risk Number® 90, it makes it a lot easier to explain to the client why they should diversify. That can really help break through the emotional wall they've built around it."

A Marriage of Two Financial Goals

Nothing is as sentimental as the relationship between spouses – which is why Ken doesn't take his role as a fiduciary and mitigator lightly.

In October 2017, Ken met with two new clients of his – a husband and wife team who had very different risk tolerances. "The wife had a much lower risk tolerance and thought the worst every time the market fluctuated," said Ken. The husband, on the other hand, had a higher appetite for risk and more aggressive growth goals.

Ken blended models together in Nitrogen to invest each spouse's accounts into separate risk-appropriate portfolios so they could both rest easy.

"My client reached out to me privately afterward to thank me — he was thrilled. He told me he'd never worked with an advisor who helped them manage separate portfolios before. Nitrogen gave us the ability to make sure both the husband and wife were equally comfortable."

Looking to the future, Ken is excited about the prospect of using **Check-ins** to help him stay in-tune with how his clients are feeling about their portfolios and remind them what they talked about in previous meetings. "I'm not looking for Check-ins to lower the call volume, but I anticipate it will positively reframe those conversations to be even more productive."

Nitrogen has Made a Positive Impact on These 3 Areas of Mariner Wealth Advisors:



Portfolio Management

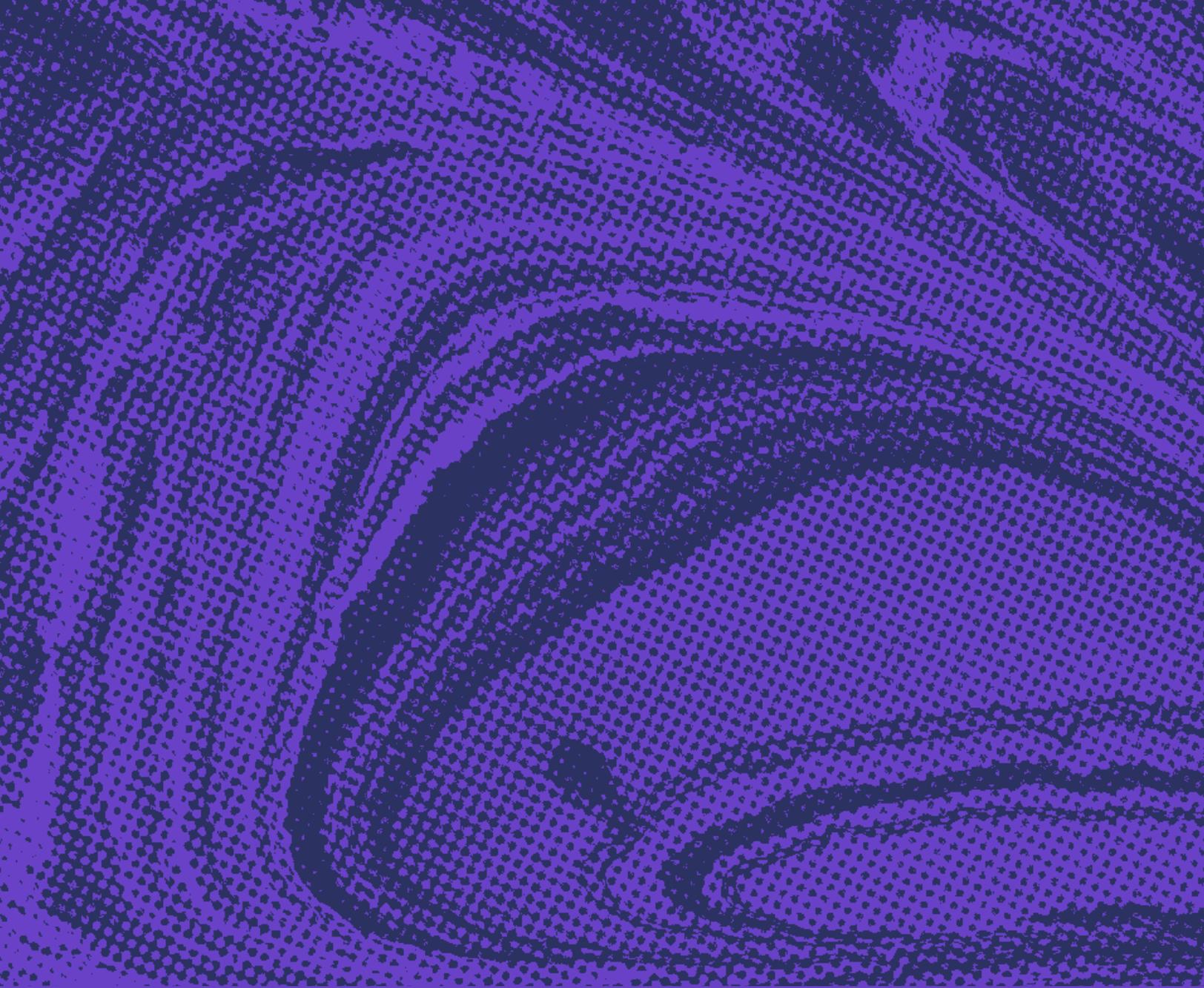


Client Relationships



Long-Term Financial Planning





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Special thanks to Ken Hodges for his candor and commitment to empowering the world to invest fearlessly.

Nitrogen 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 Nitrogen 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 Nitrogen Partner Store — all with the mission of empowering the world to invest fearlessly. To learn more, visit Nitrogenwealth.com.



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