



Regulation **Best Interest**

TURNING AN INDUSTRY CHALLENGE INTO AN OPPORTUNITY



Has your firm adapted to Reg BI?

Reg BI is about demonstrating your care for clients while educating and informing them about your decisions. Here's a short checklist of how your firm needs to engage with investors under the new rule.

- ✓ Provide a **full and fair disclosure** of the material facts of your client relationships.
- ✓ Prove and document that you have clients' **best interests** first, always.
- ✓ Understand the **risks, rewards, and costs** of your recommendations.
- ✓ Show a **reasonable basis** to believe your recommendations are in the best interest of your clients.
- ✓ Demonstrate that recommendations are in a client's best interest based on their **investment profile**.
- ✓ Show that recommendations alone, and when **viewed holistically**, are in a client's best interest.
- ✓ Implement a system to **mitigate conflicts of interest** that may arise.
- ✓ Create **policies and procedures** to prevent your advisors from making recommendations that place their interests ahead of their clients
- ✓ Factor in the cost and **expense of your recommendation**. Show that the **cheapest option** isn't necessarily in the client's best interest.

Advisors and compliance teams now agree on how to approach a client.



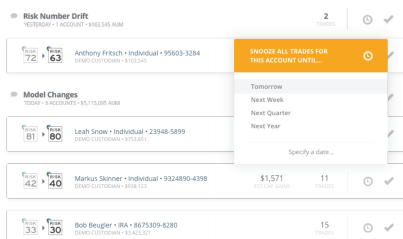
Tens of thousands of advisors leverage the sophisticated analytics in Riskalyze to set better client expectations and welcome new business into their firm as well. We hear it from compliance officers all the time: “How in the world do you get so many advisors wanting to use a best-interest documentation tool?” When the very same Risk Number® that quantifies best interests can also give you a tangible ROI, you’ve got a solution everyone can agree on.

Build your solution upon a foundation of bullet-proof methodology.



Built upon a Nobel Prize-winning framework, Riskalyze’s client assessments use real dollar amounts in a refined approach that captures the right data about what the client is looking for. When you combine that with unparalleled investment analytics, you’re able to prove alignment in the client’s best interest (even when that’s not always the cheapest option). We analyze risk down at the securities level instead of using the conventional approach of making assumptions at the asset class level. Other tools that assume Facebook and Home Depot are the same “large cap stock” simply aren’t going to cut it in the next recession.

Monitoring and alerting capabilities help keep accounts on track.



Supercharge account analytics with direct custodial feeds and cutting-edge Trading Automation. When accounts are on Autopilot, the Riskalyze platform turns into a monitoring and alerting system that flags accounts for Risk Number® drift, cash management, updates to a model or target, and more. Autopilot empowers firms to keep a best-interest-aligned portfolio on track for the long haul.

Client Story: **Founders Financial**

Founders Financial is an independent broker-dealer—the group most affected by Regulation Best Interest.

The very first enterprise firm to adopt Riskalyze as the complete risk solution across its entire organization, Founders leverages Riskalyze to help them document that they know their clients and that each individual's portfolio is the right one for them.

Download this client story to learn how Founders prepares their advisors to provide the best level of care to the clients they serve while keeping their home office ahead of the curve from new compliance obligations.

Read the full case study at riskalyze.com/reg-bi

Your Guide to Reg BI Compliance

Regulation Best Interest pushes the fiduciary standard forward in a way that's never been seen before for independent broker-dealers. Get the facts about the four obligations your firm needs to meet to comply with the new rule, and understand the guidelines for structuring your brand-new Form CRS.

Download your copy of this white paper now to prepare your firm at riskalyze.com/reg-bi

Ready to Be Fearless?

Proving that your clients are invested right is simple when your process includes the RiskNumber. Approach Reg BI with confidence with Riskalyze by your side.

