

# "INVESTING FEARLESSLY" WITH RISKALYZE'S AARON KLEIN

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*This article is relevant to financial professionals who are considering offering Model Portfolios to their clients. If you are an individual investor interested in WisdomTree ETF Model Portfolios, please inquire with your financial professional. Not all financial professionals have access to these Model Portfolios.*

*On Behind the Markets, a podcast brought to you by Jeremy Schwartz, WisdomTree's Global Chief Investment Officer, we talk to market strategists, business executives and financial advisors about important trends underpinning the financial markets.*

*In this episode, I had the pleasure of joining Jeremy to speak with Aaron Klein, CEO and co-founder of Riskalyze—a financial technology company that provides software as a service to tens of thousands of financial advisors in the United States.*

Listeners will hear about:

- How Aaron and Co-founder Mike McDaniel came up with the idea of Riskalyze.
  - The need for alignment between a client's risk tolerance and their overall portfolio risk.
  - Putting the "feet and inches" into portfolio risk, which gave birth to the [risk](#) number—an objective, mathematical approach to removing subjectivity by quantifying the risk of investors and portfolios.
- The difference between risk tolerance and market sentiment and how that translates to using data to make more informed decisions.
  - Riskalyze's mission is to empower advisors to transform fearful investors (clients) who make bad short-term decisions into fearless investors who make great short-term decisions. Ultimately, those great short-term decisions are the inputs that financial advisors use to deliver great long-term financial outcomes.
  - The importance of using data to make more informed decisions—as shown by the market crash of 2020.
- The growth of Riskalyze's Partner Store, which hosts third-party Model Portfolios, and how that's been a win for investors, advisors and the third-party asset managers.
  - WisdomTree is a proud partner of Riskalyze's model marketplace, where we offer a range of ETF Model Portfolios that advisors can subscribe to.
- Platform integrations recently announced, including Onramp Invest—a comprehensive cryptoasset management solution allowing financial advisors to help their clients confidently and intelligently invest in digital assets.
- The nine core values that fuel Riskalyze and lessons learned by Aaron over the past decade relating to hiring.
  - There are four types of people that Riskalyze's culture "rejects": people with a victim mentality, narcissists who think it's all about them, people who tear down others and missionaries who don't care about their mission.
- The future of Riskalyze and new product launches, including a tool called *Discovery* that serves as the "Google" of investment research.
- Hope Takes Root—an initiative he cofounded that uses vocational training and life mentoring to change the future for orphans and at-risk kids in Ethiopia. To learn more, please [visit their website](#).

You can listen to our full conversation with Aaron Klein below.

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Developers:

- ES5 builds are disabled **during development** to take advantage of 2x faster build times.

#### Important Risks Related to this Article

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For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

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## **DEFINITIONS**

**Risk** : Also standard deviation, which measures the spread of actual returns around an average return during a specific period. Higher risk indicates greater potential for returns to be farther away from this average.