



CASE STUDY

# Nitrogen Demystifies Investment Conversations for Clients With Clear Illustrations

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How Acorn Wealth Advisors Uses Detailed Portfolio Stats in Nitrogen to Simplify Complex Concepts

## Tech Stack:

### Nitrogen

for risk and portfolio analytics

### MoneyGuide

for financial planning

### eMoney

for account aggregation

### Redtail CRM

for relationships & connections

### Morningstar Office

for reporting, fees, and portfolio management

### Custodians:

Charles Schwab, TD Ameritrade

## Firm Profile

Some financial advisors come to the profession late, others arrive early. Todd Tarantino, CFP®, caught the finance bug while still an undergraduate at Western Michigan. Todd played defensive line on the football team under legendary coaches like Greg Mattison, John Harbaugh, and Jack Harbaugh, but it was another role model at the university who ultimately had the most impact on his future career. A professor who was also an independent financial advisor hired Todd after he took his personal financial planning class. From there, Todd started his career in full at Ameriprise Financial before he co-founded Acorn Wealth Advisors alongside Steven Bliss.

### Why Nitrogen

“Winning by not losing.” That’s the approach to risk and portfolio management the Acorn team has always taken. But as Todd and Steve surveyed their firm, they saw an opportunity to strengthen client relationships by doing more to clearly and efficiently explain that core philosophy. So, they began to look for a solution that would help them do that.

Traditionally, the Acorn team had subscribed to a service which presented a risk-return scatter chart and could illustrate client returns against a benchmark. While those capabilities were helpful, they also didn’t keep the conversation focused tightly enough on illustrating how a client’s risk would impact the return they could also expect.

“Nitrogen helps our clients understand and conceptualize risk in the best way I’ve ever seen,” says Todd Tarantino, Co-Founder of Acorn Wealth Advisors.

### Enter Nitrogen

Like most advisors, the team at Acorn Wealth immediately saw a benefit by using Nitrogen to compare a prospective client’s current portfolio against an alternative portfolio based on one of their own models.

In short order, they could show how their model could get an investor into a better risk adjusted position.

“Most people are visual. The charts in Nitrogen simplify complex concepts by illustrating them instead of relying on me to explain them.”

But beyond that, Todd found something that could truly set his advice apart: the data analytics provided by Detailed Portfolio Stats (“Stats,” for short) in Nitrogen.

### The Art of Visual Investing

When a client comes to the Acorn office for a meeting, Todd has a client-facing monitor set up so they can see everything he’s working on for them in real-time.

Todd uses Nitrogen Stats to show clients’ the performance return information of their portfolio compared to a model, such as a benchmark, or even a similar portfolio.

While Stats helps Todd illustrate what’s happening in the current market, it also helps him create a picture of how a portfolio might perform in less than ideal circumstances.

“We like to include a look at bad markets, like the fourth quarter of 2018, to overlay on top of a client’s portfolio,” said Todd. “It gives us a simple way for clients to visually see how they would outperform a drop. I can say, ‘Look, this is why we have the level of risk we do. If this happens again, you’ll only lose 10% instead of 20%.’”

### A New Level of Understanding

Since starting with Nitrogen, Todd sees his clients understanding their portfolio, why they are invested the way they are, and the reasoning behind their investment strategy at a higher level than at any point in his career.

“There’s an old adage that says if every investment in

your portfolio is making money, you aren’t diversified. Instead of the old square box matrix, I can show clients an interactive chord diagram that demonstrates how their assets intersect.”

### Let’s See the Results

The results have been plain to see. The team at Acorn Wealth has always tried to educate clients so they

understand the why, not just the what, and since implementing Nitrogen Todd hears a constant stream of positive comments from clients about how easy it is to understand what’s happening in a meeting.

But the benefits don’t stop with a more educated client base.

“As a whole, I think Nitrogen is not only a great software platform, it’s also a great tool for advisors to understand how much risk they’re putting in a portfolio when they build one for a client.”

“Nitrogen had a much cleaner output than any of the other risk analytics platforms we reviewed. The Nitrogen client reports are easy to follow, and the charts and graphics simply look better,” says Todd Tarantino.

## READY TO JOIN THE FEARLESS INVESTING MOVEMENT?

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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](https://Nitrogenwealth.com).

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