With client reviews just around the corner it may mean having a difficult conversation given the volatility and uncertainly of the markets. But what if you had the opportunity to approach each discussion with a framework to make the conversation less difficult and more client focused on what matters most to them? That's what this framework is about. The 3 P's of an effective client review are about having an organized and engaging review to assure your clients that you are knowledgeable and that you care about them and have a reliable process to help them meet their financial goals. This framework is centered around the Perspective, Poise and Process.

**So let's starts with Perspective** – this is about perspective as it relates to the world, the markets as well as how you work with your clients. Clients are getting bombarded with information via news, print, social media. *They are truly drowning in information but starved for wisdom*. So this is your opportunity to help make sense and narrow down what matters most to them. By helping them to understand the market and economy from your perspective, it shows them that you are really thinking through things and coming to them with informed insights and decisions.

It's all about reframing the current news by providing context and perspective on the markets. With the news ticker tape running at the bottom of TV screens reminding clients about stock market declines, it's no wonder they are nervous. But what they probably are not hearing is how cyclical markets are, and have always been. Remind them that bear markets are followed by bull markets, and bull markets are often followed by bear markets. In fact, since 1926 there have been 16 bear markets, averaging once every 6 years. On the flip side, there have been 14 bull markets since 1930, and while a bull market often last for years, a significant portion of gains typically accrues during the early months in a rally, hence saying, "*your best days are often neighbors with the worst days in the market."* In the year after a "trough" of a bear market, since 1929 the S&P 500 Index has gained an average of 47%.

So, remind clients that missing certain days and up days in a market recovery can be detrimental. The mathematics of a loss tell us that a portfolio that is down 20%, will have to have a positive 25% just to get back to even. So, this is now likely not the time to abandon investment policies if we have any chance of recouping from losses.

The last point around perspective is how you work with your clients. Every year at Russell Investments we do survey asking clients about what they value most about their financial advisor, and at the top of that list is the work that you do around their financial plan. Understanding their goals, their aspirations, preferences and circumstances, and then executing on the plan.

So, remind them that's why they work with you, and that's why they have a financial advisor and a plan, even during market uncertainly.

**The second P stands for Poise** – this is where you get to be the rock in the face of a storm and make it personal to them. We understand that client calls and virtual meetings are going to be emotional, and maybe even irrational. Acknowledge that that is normal, listen to your clients and be empathetic. Leaning into your behavioral coaching skills by allowing them to not let their human emotions get in the way of their plan. One idea would be to walk your client through a slide called the Emotional Roller Coaster of Investing. I'm sure you have seen before and can find it on RussellInvestments.com. We suggest sharing a roller coaster slide before your meeting begins and ask your clients to point to what part of the curve they fall on. Is it panic, fear, anxiety, or even despondency? This allows you to gauge your clients' emotional state and know how much coaching will be needed during the conversation. It's all about identifying, diagnosing, and redirecting them from some of the behavioral mistakes that they may fall prey to. Afterall, *it's not what a bear market does to derail you, it's what you do in a bear market that can derail you!* Also, think about try refraining from using financial jargon. Your words matter so try to use their language and limit the use of technical terms like alpha, beta and standard deviation.

**The last P stands for Process.** This is where you get to share specifically what you are doing to get them through this time. And that starts with bringing them back to your process of identifying what their goals were when you established their financial plan. At Russell Investments, we help advisors leverage a **Wealth Wellness Wheel** – made up of 5 buckets – family, health, career, lifestyle and community. This is a great time to be asking them *"how do you fell about these buckets now?"* Maybe family and health are at the top of that list and so having that discussion and re-discovering what is important to them is key. This also sets the stage to remind and revisit why you put your plan in the first place, before markets got turbulent. Meaning, *"We planned for this."*

Remind clients why you made certain investment decisions, and how you arrived at their asset allocation policy, and how that plan correlates to their objectives based on their goals and time horizon. This is where you get to start to weave insights into product solutions that they're invested in and the performance of those. But this is only when performance comes up now, not at the start of the meeting. Address portfolio performance – what's working and not working. What detracted. What added. And be transparent. Addressing negative performance head on can be a powerful tool in a review because it shows your clients you are watching, you are reviewing and adjusting as needed. If nothing has materially changed with respect to a client's goals, then maybe you'll want hold firm on protecting the plan and coaching them through those emotions of investing. During the re-discovery stage of a meeting, a portfolio may need to have a change.

Right? Perhaps there's a de-risking of a portfolio or you're leaning into risk. Is rebalancing of the portfolio in order to help bring the portfolio back in line with risk and return profiles? Is there potentially a buying opportunity to deploy cash that's been sitting on the sidelines? Or is it an opportunity to review transition to advisory, or maybe model strategies? Maybe it's time to be thinking about harvesting losses with tax-managed solutions?

Bottom line – clients want to know that you are being real and honest and that you are keeping your eye on things for them, allowing them to sleep better at night. Lastly, the last P for process means ending the steps after the meeting and what steps you'll be taking to follow-up? What is the roadmap for what that will look like? Establish how often you plan to talk with them and communicate, whether that's on markets. Is it email? Is it a blog? And then have the client mutually commit to the plan and the next steps of the plan.

So, to summarize, the client review process is an integral touch point with existing clients. And Advisors who have successful outcomes do so by having a roadmap or a framework and came prepared to listen and give comfort and provide personalized insights. Advisors who can deliver an effective client experience during a review can exceed expectations and will be the ones to most benefit from higher retention of clients, as well as the opportunity to gain even more market share – not only from their current clients, but through new prospects that will be referred to them. So, thank you and we hope you let this be your roadmap to conducting effective client reviews.

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