

# How RIAs Open Big Doors to Small Investors

## *Flexible Plan Investments, Ltd.*



Jerry C. Wagner

**J**erry C. Wagner made a big splash when he began his investment career in 1971. A University of Michigan law student at the time, Wagner collaborated with two MBA candidates to create one of the first managed hedge funds outside the East Coast. He then took a hiatus from the market, enjoying stints as a congressional staffer, tax and securities attorney, and law partner.

When Wagner reentered the investment world in 1981, his focus was on the little guy. He established Flexible Plan Investments, Ltd., a boutique money management firm with a clear mission:

to bring the most sophisticated portfolio management services to even the smallest – think \$5,000 minimum – investment accounts.

This year, Flexible Plan celebrates its 30th anniversary as one of the nation's leading providers of risk management services and strategies, now helping over 2,200 registered investment advisors (RIAs) and wealth managers across the country grow their businesses and protect their clients' assets.

### Philosophy: Diversify Strategies

Most traditional investment strategies, Wagner has long argued, tend to be effective only in certain market environments. His favorite refrain: "Every strategy works, until it doesn't." Since 1998, Wagner has championed strategic diversification – a concept that takes diversifying risk to a whole new level.

"For decades now, people have been told they must buy a lot of different mutual funds invested in various asset classes," Wagner explains. "But we don't think asset diversification goes far enough. Flexible Plan brings a mix of active strategies to the average investor, making it far more likely that some part of a portfolio is correctly positioned to weather market storms."

### Approach: Actively Manage Accounts

"Buy and hold" is often touted as one of the safest approaches to long-term investing. Wagner begs to differ, claiming it has been shown time and again not to work – particularly in the event of sudden and unanticipated

"black swan" market dives. A defensive posture, Wagner believes, is critical to managing risk.

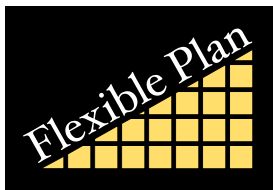
"Active management is at the core of everything we do," Wagner explains. "Beating the market is not what active management is all about; rather, it is an under-utilized, defensive tool. If you can reduce losses, performance will usually take care of itself over a full market cycle, because the investor will have more money to invest when the market comes back."

### Manage Expectations, Clarify Results

Giving investors the proper perspective is the purpose behind Flexible Plan's signature OnTarget Investing process. OnTarget helps RIAs and their clients to set realistic goals, to judge their returns in relation to those goals – rather than to arbitrary indexes – and to monitor their progress on a quarterly basis.

Other elements of Flexible Plan's highly customized portfolio management include a detailed suitability questionnaire to assess investors' tolerance for risk; cutting-edge technological tools to design the most suitable combination of investment strategies; and a dedicated client service department and call center for wealth managers and investors alike.

"The more customized you can be," Wagner says, "the better you can serve client expectations and cope with whatever the market throws at you each day."



## Flexible Plan Investments, Ltd.

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