Spring 2013

Harvest Magazine

a quarterly journal on true wealth building and sharing
published by The Joseph Group Capital Management

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Carolina's calling...

Rody McCool

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CAPITAL MANAGEMENT

The Joseph Group has a simple but powerful mission: **to understand and encourage our clients' cherished dreams and provide outstanding investment management and advisory services that help them fulfill those dreams.**

Combined client assets under our management/advice now exceed $330 million.

Clients include *individuals, families, professionals* and *businesses*. Accounts include trusts, brokerage accounts, IRA rollovers, and company retirement plans. We request minimum assets of $500,000 from new clients.

We receive no commissions but are compensated on a fee only basis, calculated as a flat percentage of an account's assets.

For a copy of our registration with the Securities and Exchange Commission, or to learn more about our firm, please contact us.

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B. Scott Mizer, *Chief Operating Officer*

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Dave Suchland, *Client Advisor*

Ben Borich, *Manager, Retirement Plan Services*

Kyle Hickey, *Manager, Operations & Trading*

Tagrid Butler, *Client Portfolio Manager*

Matt Marrison, *Trader & Investment Analyst*

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The Founders' Corner

Dear Clients and Friends:

While spring has arrived, it's bittersweet here at TJG *as our colleague Rody McCool has announced her retirement. She'll be moving to South Carolina to fulfill a dream she and Bill were pursuing before his passing earlier this year. Rody will be greatly missed and to honor her contributions we've made her the subject of our cover story - enjoy learning more about this remarkable individual!*

***Second half** is a term we're using more often. Coined by our friends at Halftime, it refers to that stage of life when a person begins to pursue significance and not just success in their day to day activities. Second halves start when one commits to leaving a legacy, not just living a life; they can begin during one's primary career or pursued as a second career or even during retirement. Regardless of when they start, what a difference second halves can make – not just to the individual who pursues them, but to their family and the greater community. In this issue of* Harvest Magazine *we feature a number of "second half" stories we think you'll find inspiring: Pete Krajnak and Heart of the City Foundation; Angelique Smith and the Ethiopia Community Project; Paul and Ellen Schoonover and Tyler's Light; and Joni Lloyd and Beth Short and their Half Century Fund. Enjoy reading how these people are making a real difference.*

Let us know how we can help you get to your second half! Better yet, consider attending an upcoming Halftime Institute. We loved having Halftime CEO Dean Niewolny with us at our January Wealth Summit and in this issue we recap that event and introduce you to the Institute.

Elsewhere in these pages we announce some promotions here at the company and introduce you to three new associates - wonderful young professionals whose skills, values and passion for our mission will further enhance the work we do for our clients. And you'll find our standard features in this issue — articles focused on topics related to your financial well being.

We noted Bill McCool's passing above; we also celebrate the lives of Corean Hutcherson and Bob Breckenridge, two clients who also have passed on since our last issue of Harvest. *To their family and friends – know that you remain in our thoughts and prayers and know how grateful we are to have known them.*

We hope you are continuing to pursue your most deeply cherished dreams and goals. And we thank those of you who have entrusted your financial plans to us; what a privilege it is to help you. To all of you, enjoy this beautiful spring!

In faith and hope,

Mark J. Palmer

Matt D. Palmer

A Fond Farewell to our Rody

Editor's Note: Longtime Joseph Group *colleague Rody McCool recently announced her plans to retire and move to South Carolina to pursue her "second half." A beloved and talented member of the* Joseph Group *family, in this issue of* Harvest Magazine*, we honor Rody as the subject of our cover story and share with our readers a bit of her amazing life: past, present and future!*

— Rody McCool —
Carolina's Calling

Rody as a high school senior

It was 1950, the exact middle of the 20th century. Tired of a long and difficult war, Americans were moving forward with dreams too long delayed: marriage, children, and careers. German immigrant Max Woischke and his wife Clara certainly were doing their share. With five children already and a thriving tourist business on the island of Put-In-Bay, they found themselves that year welcoming their sixth child into the world, a daughter, Rosalie – known to us as Rody.

The memories tumbled from Rody as we interviewed her for this article. Her dad owned and ran a campground and boat rental business on the island; he also served as an ice guide for the many businessmen who liked to try their hand at ice fishing in the cold winter months. Her mom ran a bed and breakfast out of their home for those same businessmen. Their backyard was the local airport landing strip and Rody's earliest memories include the old Ford Tri-Motor airplane (aka the "tin goose") taking off and landing from that strip – bringing businessmen, tourists and much needed supplies to the island. The local public school had less than 100 students in all twelve grades – 9 in Rody's class. Along with her siblings Rody worked hard in the family businesses – her primary jobs were helping her mom with the bed and breakfast chores. But from time to time there were special trips to the mainland for big shopping expeditions or a visit to the dentist.

In 1966 Max retired and moved the family to Denver so that he and Clara could enjoy their own passion for camping and travel. Rody finished high school there and began attending a community college while also working for the local utility, the Public Service Company of Colorado. In 1973 she moved back to Ohio, moving in with her older brother John who lived on the OSU campus and was a locomotive engineer. She landed a job with Columbus & Southern Power Electric Company as a key punch operator in their data processing department and in 1974 married a Put-In-Bay classmate.

Divorced in 1979, Rody headed back to school (obtaining her associate degree from Columbus Community College and continuing on towards her undergraduate degree in business management from Franklin University) while also continuing her work at Columbus Southern, which by then was being merged into AEP. Single and ambitious, Rody's career began to take off, a reflection of her work ethic and growing business skills. Transferring to AEP in 1985, she commenced a series of jobs within the company, each adding more responsibilities:

- Leading educational workshops in southeastern Ohio for teachers on energy and coal usage;
- Addressing local chambers, women's groups and community organizations on conservation and

Rody at an AEP mining site

Continued...

energy usage as a member of AEP's Speakers Bureau;

- Instructor for AEP's Firefighters & Electrical Safety Program;
- An on-air participant in Auction 34, OSU Public Television's public service show – AEP was a corporate sponsor;
- AEP's on-air reader for the Central Ohio Radio Reading Service for the blind;
- AEP's 1986 loaned executive for United Way;
- Co-Chair of AEP's United Way Campaign (1996);
- She also served as a docent for Franklin Conservatory and as an active member of numerous AEP teams that participated in local 5k runs and other community events

In 1996 she was asked to take on the role of Contributions Coordinator for AEP and a number of its subsidiary companies, a role in which she established a charitable giving database to better coordinate the corporate contributions being made. Rody shared that the role allowed her to utilize the many relationships she had made throughout the AEP organization and to help maximize the company's significant corporate giving dollars.

Bill and Rody

From her childhood Rody loved to dance (any of you remember the June Taylor Dancers on your old black and white television set in the '50s and '60s – Rody does!). Helping to organize a Labor Day Singles Dance at the McCoy Center in Hilliard back in 2000, Rody met Bill McCool – and a romance was launched. A local insurance professional, Bill and Rody married in May 2003 and Rody became an instant stepmom to Bill's three adult kids and eventually, step-grandmother to a total of four grandchildren.

Rody and Cleo

In September 2005 Rody took an early retirement package from AEP, ending a remarkable 32 year career in the utility industry. In search of a financial advisor to assist her, she interviewed and hired *The Joseph Group*. CEO Mark Palmer remembers that "here Matt and I were being interviewed by Rody to serve as her financial advisor, but we were so impressed with her that we decided to hire her for a client service role here at *The Joseph Group*!" She joined the firm November 14, 2005 in a newly established role of Client Service Manager.

Rody's engaging personality and great organizational skills quickly endeared her to clients and teammates. Her duties were wide ranging: receptionist; event planner; office manager; client database manager and eventually, editor of *Harvest Magazine*. In commenting on her contributions to the company, President Matt Palmer is effusive: "From the first day she arrived here, Rody enhanced our company culture. Her love of clients, her attention to detail and her encouraging spirit have blessed this organization beyond description. We owe a huge debt of gratitude to Rody for all she's done to further our company mission and we'll miss her many contributions and most of all – her great heart!"

In November 2010 husband Bill suffered a stroke while visiting his family in Noblesville, Indiana. The initial effects were devastating as Bill was unable to walk, talk or use his right side. But with prayer, Rody's support and the assistance of therapists, Bill regained his speech over the next one and a half years and was able to walk with a cane. In June of 2012 however, his condition began worsening again and he died on January 25th of this year at the age of 71.

Bill and Rody had been considering relocation to South

Carolina once Rody retired. With Bill's passing Rody felt led to accelerate her retirement and pursue their dream. She has sold their Dublin home and is building a new home in Sun City Carolina Lakes, a Del Webb retirement community in Indian Land, South Carolina, just south of Charlotte, NC.

In commenting on this big step into her "second half" of life, Rody was filled with optimism: "I see this as a new adventure and chapter in my life. After 42 years of work, I'm excited to get away from Ohio winters and set my own schedule each day. And my golden doodle Cleopatra (Cleo) will of course be joining me. I'm looking forward to getting back to exercising, swimming, and dancing and meeting new friends and this Del Webb community will be a great place to accomplish that. I'll find a new church and while I'll miss my friends and family in Ohio, I'm confident this is where God is leading me to begin the next chapter of my life." Rody continued, "my seven and a half years at *The Joseph Group* have been a great joy for me. I've loved working with our wonderful clients and our team here is like family – they've been such a blessing in my life. And being able to express my Christian faith on the job has been an opportunity very few people experience in their working life. I take many happy memories with me from my time at *The Joseph Group* and I've told the team that they're welcome to visit me any time!"

Joseph Group CIO Travis Upton echoes the sentiments of the team and so many clients that have come to know her: "Rody has been a true gift to our company. While we will miss her greatly, we send her off to this next chapter of life with our prayers, our love and our blessing."

Well said Travis. And well done Rody. You've earned your retirement and we know that a wonderfully rewarding second half awaits you in South Carolina. But don't be a stranger – come and visit us whenever you can – the *TJG* door will always be open to you!

Note: Rody will not be moving to South Carolina till later this summer or fall. Our firm will be hosting a farewell reception for her on Thursday May 30th, here at our offices, beginning at 5:30. Many of our clients and friends have gotten to know her so if you'd like to attend, we'd love to have you – just let one of us know. Or if you'd like to send her a card or note, feel free to send it to her here at our company address and we'll see that it's given to her that evening.

— Pete Krajnak—

Heart of the City: A Small Foundation with a BIG Heart!

"*Heart of the City* has given me an opportunity to live out my faith by joining with people of various faith traditions to serve those in need." So says Pete Krajnak, local architect and current board chair of Heart of the City Foundation. Established in 2007 and operating out of Broad St. United Methodist Church at the downtown corner of E. Broad St. and Washington Ave., *Heart of the City* offers programs that serve the physical, educational and spiritual needs of disadvantaged people living in downtown Columbus and the immediate neighborhoods around it. In the past year alone *Heart of the City* served nearly 40,000 people affected by homelessness, hunger, poverty, addiction or incarceration. Current programs include:

Pete Krajnak with Broad St. UMC pastor Lou Seiple

Freedom School National Day of Social Action

Manna Café – serves an average of 170 meals every Wednesday evening using monies raised by hot chocolate sales in nearby downtown office buildings;

Open Shelter – churches and other groups serve 150

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meals every Monday, Tuesday and Thursday nights to men and women in need of a hot meal;

The Inn at Broad – provides transitional housing, life skill counseling and resource connecting to two families at a time for up to six months with a goal of lifting those families permanently out of poverty;

Interfaith Legal Clinic – provides free legal services from volunteer Columbus attorneys;

Freedom School – a six week summer school program that provides literacy-based multicultural enrichment programs for elementary children – taught by trained college students

Addiction Counseling – includes traditional twelve step AA programs

Board member and Broad St. UMC senior pastor, Rev. Lou Seiple shared that, "*Heart of the City* can attract and receive resources that Broad St. United Methodist Church, as a religious entity, cannot. The result - *Heart of the City* is on a path to becoming a true community foundation bringing people together from all walks to address critical needs." Pete added, "as an architect my profession is to envision something that is not yet here and provide the plans to build it. My role as board chair for *Heart of the City* is very similar – to envision us as a larger entity better resourced to serve the needs of a growing population in need. While dollars are important, we also need people to join us who have a passion for working together to serve the needs of others…people whose skills and network of relationships can increase awareness of who we are and what we do."

If you're feeling a tug on your heartstring as you read this, perhaps you're being called to get involved with *Heart of the City*. **Go to *facebook.com/heartofthecitycolumbus* to learn more.** Or get in touch with any of us at *The Joseph Group* and we'll put you in touch with Pete or Lou. You'll learn what they and so many other volunteers have learned, "you'll get so much more than you give."

— Angelique Smith —

The Community Project – Ethiopia

In March 2011, our good friend and client Angelique Smith flew to Africa to help other Habitat for Humanity volunteers build 500 homes in Debre Birhan, Ethiopia. As they worked the volunteers noticed that hundreds of children in that town began each day with a long walk to a school in another town. Other children didn't go at all because that school had no more room.

Struck by this need, Angelique and her colleagues committed to raising the funds needed to build a local school. *The Community Project: Ethiopia* was born. Plans include not only a school but also a community center for adult classes and a community garden where families can grow fresh produce and meet their own needs for food.

Children being helped by The Community Project

Talk with Angelique for even five minutes and you'll discover she is passionate about raising the $75,000 needed to break ground on this project. Earlier this year she enlisted a Bob Evans restaurant in Lewis Center to host a fundraising event. She has Bob Evans considering similar events at other central Ohio restaurant locations. And she's sharing her passion with others. 2012 Bexley High School graduates Ann Sharpe and Anne Adams learned of the project from Angelique and set their own goal of raising $10,000 by creating a non-profit to make and sell T-Shirts to friends and family. The design on the shirt reads: "Put on a Shirt, Put a Child in School."

Angelique Smith

Angelique is pursuing a wonderful "second half." This project will transform the lives of hundreds: not only the families of Debre Birhan but Angelique and her fellow volunteers as well. Her efforts and that of Anne and Ann's remind us that we build true wealth as we help others meet life's most basic needs.

Learn more and be inspired by visiting *www.communityproject.org* or *www.4pia.org*.

— Paul and Ellen Schoonover —

Couple Joins *Tyler's Light* to Fight Drug Abuse

Paul and Ellen Schoonover

A person dies every six hours in Ohio from an overdose of drugs – and half of the victims are between the ages of 15 and 25. But for most of us, those numbers are simply statistics with no real tug on our hearts or impact on our lives.

Not so for Eastmoor residents and dear friends Paul and Ellen Schoonover. As we shared in the Summer 2012 issue of *Harvest*, their son Matt died last May from an overdose of heroin. He was only 21. What started as the senseless death of their youngest son has led to a "second half" they never sought – fighting drug abuse at the grassroots level.

Paul shares, "a Columbus policeman came to our home that night to tell us our son was dead. He told me that Columbus is losing the battle against drugs and that many more children will die unless we all decide enough is enough. Right then I decided that Matt will not have died in vain."

Soon afterward Paul and Ellen heard about *Tyler's Light*, a not for profit with the mission of equipping youth with the resources to choose a drug-free life, while also providing the resources for family members and friends who are involved in the battle to defeat drug abuse. *Tyler's Light* is particularly focused on opiates and pills – the doorway to heroin. It was started by Wayne and Christy Campbell, a Pickerington couple whose son Tyler, a 23-year-old former Division I football player, died of a heroin overdose in July 2011. The organization gives talks at local high schools, meets with parents and community groups and advocates for greater drug awareness and response. And the group now has a new focus entitled Speak Up and Save a Life – as studies show that in nearly all overdose deaths, a friend knew of the abuse and didn't tell anyone for fear of "betraying" their friend.

Wayne Campbell of Tyler's Light

Ellen shared, "this is a mission field Paul and I did not choose; we don't want this to happen to anyone else's child." Strong Christians, Paul shared a biblical view of their new second half, quoting well known Christian author Ravi Zacharias: "God raised Moses in a palace in order to use him in a desert. He raised Joseph in a desert in order to use him in a palace. God works in mysterious ways to accomplish His purposes."

Tyler's Light is hosting a golf outing and 5k run in early May to raise funds for their initiatives. **Interested in inviting them to your school, church or community group? Visit *www.tylerslight.com*.**

— Joni Lloyd and Beth Short —

Friends Establish Charitable Fund In Honor of the Big 5-0

A weekend in New York City…an evening out with a group of friends…maybe even a small tattoo! These are the ways some people celebrate turning 50. But lifelong pals Joni Lloyd and Beth Short came up with a fun and fulfilling way to celebrate the big 5-0 recently - they jointly established a donor advised fund at The Columbus Foundation (the Lloyd Short Half Century Fund) to benefit several of their favorite charities.

Growing up together in Marion, Ohio and graduating in the same class from Harding High School, the two girls certainly did not envision philanthropy as something they would do together in the future. Joni headed to Denison where she majored in biology before heading to the

Continued…

Joni Lloyd and Beth Short

Bahamas for two years to manage an environmental field station. From there she joined the YMCA, first as an aquatics director and eventually as executive director of the Bellefontaine Y. In 2004 she joined the Mid-Ohio Foodbank where she now serves as Operation Feed Campaign Director. She is married – her husband Ken is a co-owner of the Peerless Saw Company.

Beth headed to OSU where she graduated in journalism. Her first job was with the Columbus Daily Reporter but she moved on to communications and governmental affairs roles with a number of public and not-for-profit agencies including the Ohio Public Defender's Office, the Ohio Legal Assistance Foundation; the American Cancer Society; OSU (School of Communications, Law School Mentoring Program, and OSU community food pantry); Children's Hunger Alliance; and now the Ohio Attorney General's Office – Charitable Law Section, where she oversees outreach and compliance training. She too is married – husband John works for Chemical Abstracts. Clearly these are two talented gals making big contributions to society.

In discussing what motivated them to mark their birthdays in such a special way, both women cited their education as the key that unlocked opportunities for them. This is their first effort at transformational giving – giving that can permanently change the lives of others less fortunate. And they've already discovered that their families are excited about the fund, including their nieces and nephews who will oversee the fund eventually.

As to the charities that will benefit, Joni and Beth together identified four priorities: 1) basic needs like hunger; 2) education for disadvantaged women; 3) healthcare for families and children; and 4) poverty advocacy.

Joni and Beth plan on making additional contributions to the fund in the years ahead. And they were quick to encourage others to consider establishing such a fund, regardless of size. "You don't have to be rich to have a donor advised fund" Beth stressed. And Joni added, "It's been fun and it's a great way to celebrate our friendship while helping others. We're philanthropists – how cool is that?!

It's very cool Joni and Beth. Happy Birthday and thanks for giving the rest of us a great example to follow!

An Invitation to Create Your Second Half

If you were among the 110+ who joined us for *The Joseph Group*'s Winter Wealth Summit on January 19th, you heard Halftime CEO Dean Niewolny talk about making your second half of life the best part of your life by transitioning from success to significance. The non-profit Halftime organization was founded 15 years ago by entrepreneur Bob Buford after he authored the bestselling book "Halftime" in 1994. Since that time, Halftime has helped thousands of men and women apply their leadership, career experience, life skills and passions in more fulfilling non-profit applications, ministry roles and other means of service to worthy groups and individuals in need.

The core service Halftime provides is "The Halftime Institute," a year-long program that begins with a day and a half small group workshop at their Dallas office which Dean and Bob personally lead, and continues back at home for the 12 months that follow with one-on-one coaching from a certified Halftime coach who helps them determine their own unique calling. They can help you dream about your next season of life; create a workable plan for investing time and talent; design the ultimate context for your personal service; and network with peers to provide accountability and encouragement.

Many alumni consider The Halftime Institute a transforming experience that equipped them to address the core issue of the second half of life and started them on a journey of impact and adventure.

Note: **Halftime is offering clients of *The Joseph Group* reduced Institute tuition at $4500, a $500 discount. Learn more at *www.halftime.org/institute* or contact Halftime COO Tim Dukes at 214-754-9737 or tim@halftime.org.**

Bricker & Eckler partners Ken Johnson and Bob Rafferty

Paul Schoonover addresses the audience

Mike Stickney and Dean Niewolny

Attendees listen to Halftime CEO Dean Niewolny

Promotions Announced

The Joseph Group is pleased to announce that Travis Upton has been promoted to Chief Investment Officer and Scott Mizer to Chief Operating Officer.

In commenting on the promotions president Matt Palmer shared, "Our company's passion to help our clients achieve their highest goals and dreams requires great leadership. Mark and I are blessed to have Travis and Scott as major contributors to the business and these promotions reflect the increasing role they have here at *The Joseph Group*."

Travis Upton and Scott Mizer

Already a company shareholder, Travis is a current member of the company's leadership team and chairs the firm's investment committee. As Chief Investment Officer he will continue to oversee the development and implementation of the firm's proprietary wealth allocation investment framework and will manage the company's investment management and operations areas. One of the outstanding investment professionals in central Ohio, Travis serves on the board of the Columbus Chapter of the Chartered Financial Analyst Society and as a consultant to Goldman Sachs' national investment training program. He and his wife Shannon have three children and live in Hilliard.

Scott joined *TJG* in 2011 as a senior client advisor and member of the firm's investment committee. As Chief Operating Officer Scott will join the firm's leadership team, oversee the firm's compliance initiatives, and direct company administration while continuing in his role as a client advisor. He has more than 25 years of experience in the wealth planning and investment management industries including significant roles at Huntington, Nationwide, a Cincinnati based broker-dealer and his own registered investment advisory firm. Scott will be married in June to Grace Paulino; they will reside in Westerville.

Congrats to Travis and Scott!

New Hires Further Strengthen *TJG* Team; Kyle Hickey to Assume New Duties

Ben Borich, Karen Perkins and Matt Marrison

The Joseph Group welcomes Ben Borich, Matt Marrison and Karen Perkins as the newest members of the *TJG* Family! And we congratulate Kyle Hickey who assumes new duties for the company effective May 1st.

Ben has been hired as Manager of Retirement Plan Services, replacing Mary Beth Aldrich who left the company at the end of last year. A native of Des Moines, Iowa, Ben graduated from Cedarville University in 2003. Prior to joining *TJG*, Ben was a financial advisor and more recently worked at Citigroup where he managed a team providing a range of corporate accounting and administrative services to institutional clients. Ben and his wife Sarah live in Hilliard with their two young daughters.

Matt Marrison has been hired as Trader and Investment Analyst. In that role he will oversee all trading activities in client accounts and provide investment analysis and research support to the firm's investment committee. A graduate of OSU, Matt majored in English and minored in Philosophy. After graduation he joined a local law firm where he serves as a paralegal and office coordinator. A passion for investing led Matt to transition his career to his subsequent hire here at *TJG*. Matt recently became engaged to Anna Vonau while vacationing in Rome!

Karen Perkins has been hired as Client Concierge and will oversee a wide range of client service activities including receptionist, maintenance of the firm's client database, scheduling of client review meetings and assisting with account service. A graduate of Texas A&M with a degree in business marketing and minors in international business and Spanish, Karen most recently was a Staffing Manager at Robert Half International in Dallas. Karen and her husband Cory were married last August and moved to Columbus when Cory began his PhD studies at OSU. They live in Clintonville.

And Kyle Hickey, a member of the *TJG* family since 2009, will take on new duties as a para-planner and business operations assistant while continuing his role as manager of information technology for the firm. A graduate of OSU with a major in personal finance, Kyle is pursuing the Certified Financial Planner designation. He and his wife Jennifer live in Gahanna and are expecting their first child this summer.

In commenting on these hires and Kyle's new role, COO Scott Mizer shared, "we are delighted to welcome Ben, Matt and Karen to *The Joseph Group* family and to congratulate Kyle on his new duties. All four of these individuals have a passion for our mission and reflect well our core values of integrity, excellence and enthusiasm."

Client Achievements

Joseph Group friend and client Steve Brown (with his family) accepting Columbus Academy's Distinguished Alumnus Award. Congrats Steve!

Core Portfolio Allocations

as of March 31, 2013

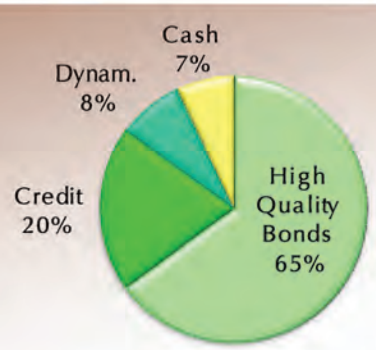
Conservation

Objective: Minimal risk and modest income, consistent with preserving principal over time periods of one year or more.

Volatility: 0 to 3%

Sector Allocation:

Cash:	7%	Liquidity
HQ Bonds:	65%	Stability, interest
Credit:	20%	Short-term high yield
Dynamic:	8%	Absolute Return 300



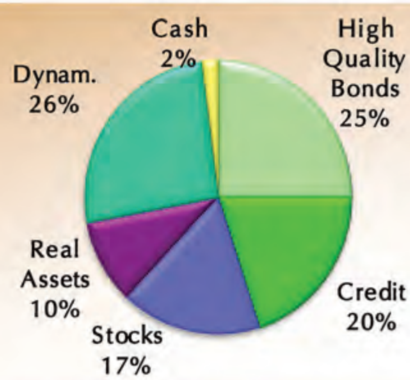
Provision

Objective: Sustain wealth by focusing on current income and low principal volatility.

Volatility: 3 to 8%

Sector Allocation:

Cash:	2%	Liquidity
HQ Bonds:	25%	Short term, corporate
Credit:	20%	Rates of around 6.5%
Global Stocks:	17%	Blue chip dividends
Real Assets:	10%	Commodities
Dynamic:	26%	Absolute return



Harvest

Objective: Risk-managed growth through a multi-asset strategy to achieve long-term dreams and goals.

Volatility: 8 to 15%

Sector Allocation:

Cash:	5%	Opportunistic cash
HQ Bonds:	15%	Corporate, infl-linked
Credit:	14%	Rates of around 6.5%
Global Stocks:	26%	Growth & dividends
Real Assets:	16%	Commodities
Dynamic:	24%	Tactical asset alloc.

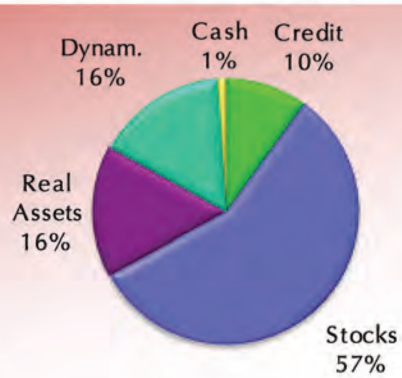
Abundance

Objective: Aggressive, concentrated portfolio that seeks to outperform major market averages.

Volatility: 15 to 24%

Sector Allocation:

Cash:	1%	Liquidity
HQ Bonds:	0%	None—low rates
Credit:	10%	Long/short high yield
Global Stocks:	57%	Concentrated stocks
Real Assets:	16%	Gold, commodities
Dynamic:	16%	Long/short best ideas



by Travis Upton, CFA, FRM, CAIA, Executive Vice President and Chief Operating Officer

The first three months of 2013 have started with a bang for the U.S. stock market. Not only are the Dow Jones Industrial Average and the S&P 500 up over 10% for the first three months of year, but both indexes have eclipsed their all-time highs originally achieved in 2007. Taking a wider view of the world though, a rising tide has not necessarily lifted all boats. Foreign stocks have not performed as well as U.S. stocks with emerging markets (e.g., China, India, Brazil) actually posting negative returns. Broad commodity indexes (e.g., oil, gold, grains) have also had negative returns with a backdrop of slowing global growth and a strong U.S. dollar. High quality bonds are another area "in the red" for the first three months of the year as rising interest rates caused high quality bonds to post their first negative quarter in years. The end results for the first three months of 2013 are global balanced portfolios (based on Morningstar averages) with returns in the 3% range – not as exciting as the U.S. stock market, but a respectable three months for a long-term investor.

In this issue of MARKETalk we are going to look at big picture "macro" factors driving markets from a "bull" and "bear" perspective. We will also talk about how the macro backdrop has us positioning portfolios to take advantage of opportunities and manage risks during the rest of 2013.

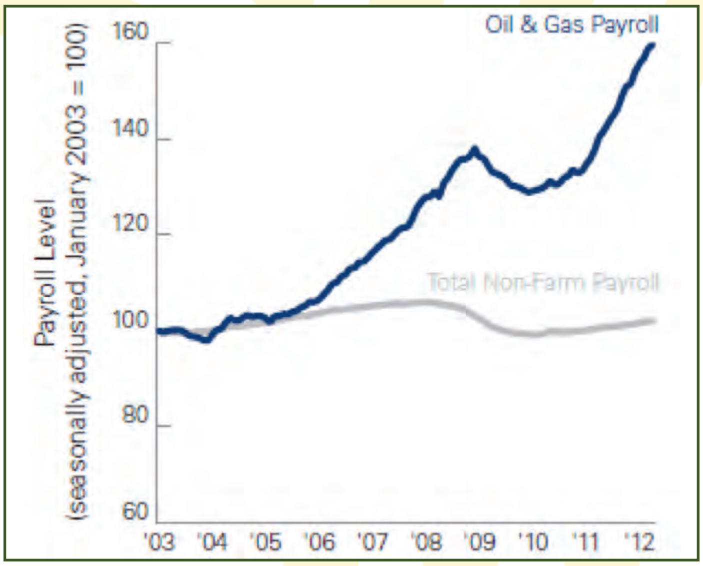
The Bull (Optimistic) Case
The U.S. Energy Revolution

At a recent Schwab conference, Liz Ann Sonders, Chief Market Strategist for Charles Schwab, remarked: "with growth in domestic natural gas production, the Midwestern United States is one of the fastest growing emerging markets in the world." While we typically associate the term "emerging markets" with high growth countries like China and India, what is happening in the U.S. is truly amazing. Advances in drilling techniques in recent years have allowed energy producers to reach vast energy resources in states like North Dakota, Colorado, and Utah. In 2012, several states set multi-decade production highs for crude oil output and natural gas production in the U.S. hit a record high. The "energy revolution" represents a seismic shift in a short period of time, and with energy infrastructure being built, we are just getting started.

The ability to access abundant energy reserves here in the U.S. has huge investment implications. Here are a few of the key positive impacts that have been discussed by our investment committee:

- *Significantly less dependence on foreign oil.* The percentage of oil imports used for U.S. consumption has been cut in half over the past seven years. In 2012, America was more energy self-sufficient than in any year since 1991. Having less reliance on imports means we are less susceptible to geopolitical shocks from the Middle East and potentially adds a "safety premium" to the U.S. stock market.

- *More U.S. jobs.* In order to capitalize on energy resources, we need to build infrastructure to refine and transport gas and oil in states like North Dakota. Building infrastructure means more jobs. As the chart below shows, while overall job growth in the U.S. is stagnant, the oil and gas industry is adding jobs at a rapid pace.



Source: Goldman Sachs, Bureau of Economic Analysis (BEA), Haver Analytics, Bloomberg.

- *Revival in U.S. manufacturing.* Since natural gas is expensive to transport, the abundant supply of gas has given the U.S. a huge cost advantage. The chart below shows that in the U.S., the price of natural gas is only $4 compared with over $12 in Europe and over $16 in Japan.

As a result, a variety of companies from around the world have recently begun building or expanding their manufacturing capacity in the U.S. In some cases, companies that "outsourced" production to India or China in the early 2000's are returning because U.S. production now has the cost advantage. According

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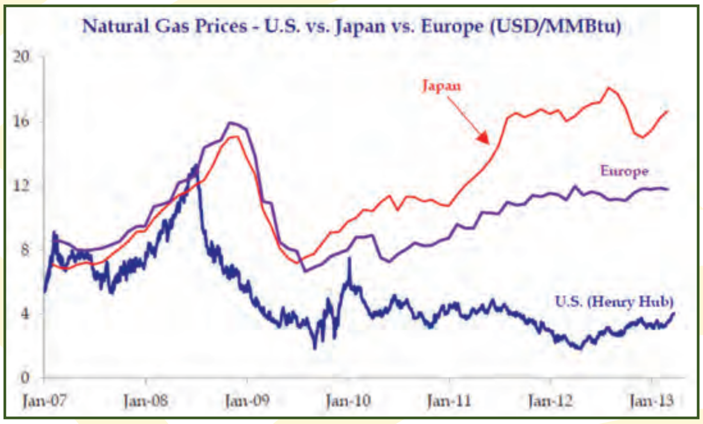


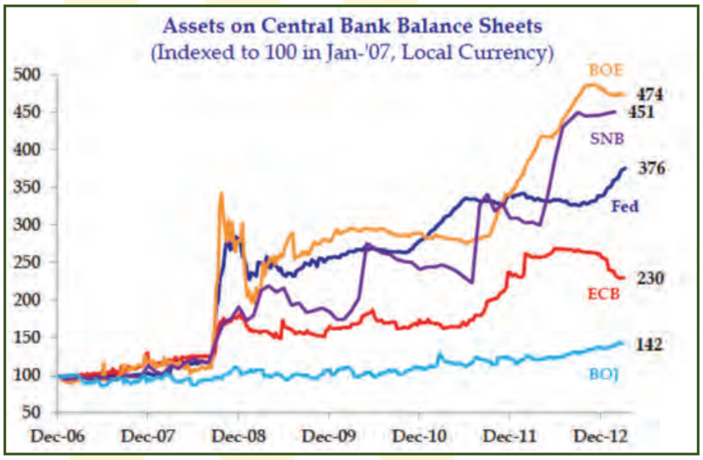
Source: Strategas Research Partners

to a PricewaterhouseCoopers study, high rates of shale gas recovery could result in a million new U.S. manufacturing jobs by 2025.

Overall, the U.S. energy revolution has positive implications for U.S.-based companies and large "global operators" with U.S. manufacturing operations.

The Bear (Pessimistic) Case Huge Amounts of Debt

Despite the positive energy backdrop, it is almost impossible to turn on the financial news and not hear about a forthcoming financial calamity brought about by the aftermath of irresponsible lending and borrowing by governments around the world. The chart below provides a terrific illustration of the problem. Over the last six years, major global central banks, including the U.S. Federal Reserve, the Bank of England (BOE), and the European Central Bank (ECB) have had massive increases in the size of their balance sheets as they seek to stimulate their economies and bail out troubled countries.



Source: Strategas Research Partners

Investors are nervous about the "global debt bubble" and it is understandable why. Somehow the debt needs to taken care of either by countries growing their way out of it, by austerity (cutting spending/raising taxes), or in the most extreme case defaulting.

While we are certainly keeping our eye on credit spreads and interest rates in various countries as indicators of global financial stress, we think the biggest immediate risks are the headlines that pop up as world governments attempt to put band-aids on the symptoms caused by the bigger issues. Here are a couple of recent examples:

- *The "sequester" in the U.S.:* The term "sequester" refers to the automatic budget cuts which began March 1st after Congress failed to agree on a deficit reduction plan. Not only did the political wrangling over how to reduce our debt hurt the confidence of businesses and consumers, but the cuts may have had a real economic impact as manufacturing and services data for March showed meaningful declines.
- *Cyprus bailout.* When the banking system of Cyprus, a small European country that only represents 0.2% of the Eurozone economy, was on the verge of collapse due to the country's exposure to Greek debt, the European Central Bank was called in for a bailout. In exchange for €10 billion from international lenders, people with deposits in Cypriot banks over €100,000 found their deposits reduced by almost 10%, likely making depositors think twice about the safety of European banks.

Issues such as these have so far only caused a few days of market turmoil in 2013, but given the backdrop of massive amounts of global debt, which must be addressed, these problems will continue to act as an overhang and potential cause of instability for the markets.

TJG Account Positioning

As we go into the 2nd quarter of 2013, our client accounts are positioned on the defensive side. Despite the good things happening with the "energy revolution" we are concerned by the weak economic data we are seeing recently coupled with declining profit margins and negative earnings growth for U.S. companies compared with the same period last year. We are also cognizant that for the last few years the "sell in May" phenomenon has been in effect as markets have had weak returns in the late-spring and summer months. While we don't make investment decisions purely based on seasonality, weaker data combined with a big run in U.S. stocks certainly makes the market seem more vulnerable to a pullback. Here is an overview how we are positioning accounts across the major sectors:

- *Cash:* We have been letting cash accumulate to higher levels than usual in client accounts with the goal of having "dry powder" to deploy if a correction does occur.
- *High quality bonds:* With interest rates at record lows, we expect to be "underweight" bonds for a long time as the potential for strong returns is simply not there. We have little exposure to Treasury bonds and instead are focused on high quality corporate bonds. With the Fed likely "on hold" with zero short-term interest rates until 2015, we are not concerned about rising long-term rates…yet.
- *Credit (junk bonds):* After strong performance in 2012, we have been reducing our exposure to high-yield (i.e., junk) bonds in order to take profits. With interest rates on junk bonds falling from 9% to 6.5%, they are "priced to perfection" and no longer offer the same opportunity as they had a year ago.
- *Global stocks:* The "energy revolution" has us positioned with our biggest allocations in large, high quality growth and dividend paying stocks. We are "underweight" total stock exposure but would allocate more to certain areas of the market if a correction eliminated some of the complacency we feel exists at the present time.
- *Real assets:* We have some exposure to global real estate, which has been performing well, but is showing signs of getting expensive. We also have been building positions in commodity funds while they are cheap as a way to provide insurance against potential future inflation.
- *Dynamic allocation:* Our dynamic strategies are designed to "zig when the market zags." We recognize some of our dynamic managers are tilted toward stocks, thus giving us more overall stock exposure than what appears on paper. However, the flexibility of these funds should allow them to hold up relatively well if a pullback does occur.

We thank our clients for the confidence they place in us by allowing us to steward their assets. As always, we apply a disciplined approach for each of our core strategies designed to manage risk and focus on long-term outcomes. We welcome your questions and comments as we meet with you in the months ahead.

Congratulations CareWorks

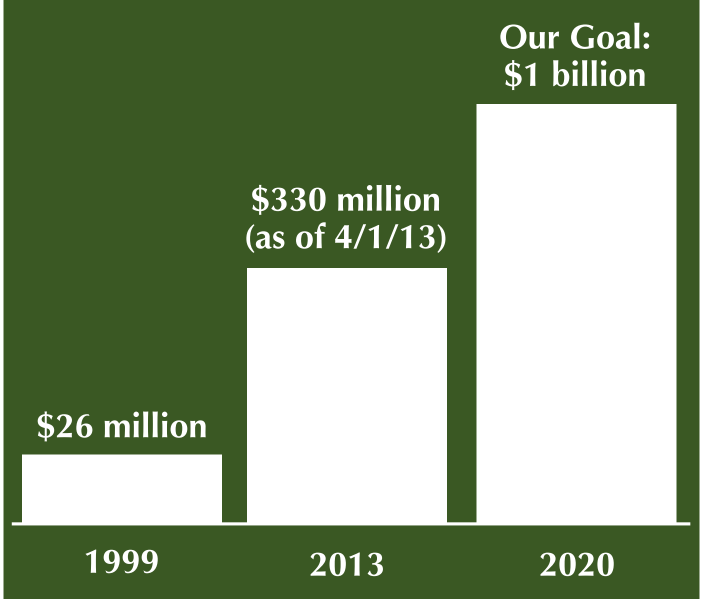
Congratulations to our client, the CareWorks Family of Companies, which once again was selected first in the large company category for Best Places to Work, sponsored by Business First.

In commenting on the award CareWorks associate Lara Hefner shared, "They foster progress. They expect you to be – and encourage you to be – your best. If you need assistance, they'll provide support. The advantage is the team. We're family. We can do any job with this group and the way our company is run." And supervisor Stacy Porter added, "A successful business begins with its associates and CareWorks recognizes this. Here it's about the people; they are our greatest asset. We believe that it takes a team to get the job done."

Congrats to the entire CareWorks team!

CareWorks
Family of Companies

The Joseph Group Dreams (Client Assets) Under Management



Seated (l to r): Mark Palmer, Kyle Hickey, Emi Brack, Tagrid Butler, Ben Borich, Matt Palmer. Standing (l to r): Travis Upton, Matt Marrison, Dave Suchland, Karen Perkins, Todd Walter, Scott Mizer.

The Joseph Group Team Has Grown!

Remember the old Abbott and Costello routine, "Who's on first?" Our clients and friends may be asking the same question of us so we thought we'd provide a quick rundown of our growing team:

Mark Palmer, JD; CEO and Client Advisor; Mark.palmer@josephgroup.com; ext. 101

Matt Palmer; President and Client Advisor; Matt.palmer@josephgroup.com; ext. 102

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Scott Mizer, QKA; Chief Operating Officer and Client Advisor; Scott.mizer@josephgroup.com; ext. 111

Todd Walter, CPA, CFP®; Client Advisor and Manager, Wealth Planning Services; Todd.walter@josephgroup.com; ext. 108

Dave Suchland; Client Advisor; Dave.suchland@josephgroup.com; ext. 107

Ben Borich; Manager, Retirement Plan Services; Ben.borich@josephgroup.com; ext. 109

Kyle Hickey; Paraplanner and Business Operations Associate; kyle.hickey@josephgroup.com; ext. 105

Tagrid Butler; Manager, Client Account Services; Tagrid.butler@josephgroup.com; ext. 104

Matt Marrison; Trader and Investment Analyst; Matt.marrison@josephgroup.com; ext. 112

Karen Perkins; Client Concierge; Karen.perkins@josephgroup.com; ext. 106

Emi Brack; Event Planner and Client Services Assistant; Emi.brack@josephgroup.com; ext. 110

Getting to Know Your Retirement Plan

by Ben Borich, Manager, Retirement Plan Services

Introductions can be both exciting and overwhelming. I'm experiencing this first hand as I just began a new position with *The Joseph Group* in March. As the new Manager of Retirement Plan Services, I am faced with the difficult but worthwhile task of getting to know everyone in the office, along with all of our valued clients and friends. With each passing day, these new relationships are growing, and I'm becoming more and more familiar with the unique challenges and opportunities associated with my job.

Just like being introduced to a new job position, being introduced to a retirement plan can be overwhelming or confusing for those unfamiliar with its many benefits. But it's important to get to know the retirement plan your employer offers you. A 401(k) is the most common type of plan, but there are several other options that companies may offer. Here are a few things you should know:

- The first step to participation is *eligibility*. All plans have requirements surrounding eligibility. You must meet the minimum requirements (for instance, completing 1,000 hours of employment), but it is important that you begin contributing as soon as you are eligible.
- Perhaps the most important piece of information to understand about your retirement plan is the *matching contribution*. This is the amount your employer may defer to you based on your contribution or employment. This elective match may be a certain dollar amount or a percentage of your compensation. Many people refer to this as "free money."
- The *vesting schedule* is another important component of a retirement plan. Vesting refers to your portion of ownership in the money that has been given to you. By law, all the money that you contribute is yours, or "100% vested." But, the matching contribution may also grant you ownership based on your time in the plan. For example, you may "own" 20% of the matching contribution after your first year, but that number may go up to 40% after the second year. Employers use vesting schedules to encourage loyalty to the company by using this "free money" as an incentive.
- The final thing to know before participating in your retirement plan is the *contribution limit*. The IRS (not your employer) determines the maximum amount you can contribute each year. For 2013, that amount is $17,500 (or $23,000 for those 50 or older), but these amounts increase each year based on inflation.

Once you are familiar with what your employer offers, it's time to take advantage of your individual retirement plan. Regardless of when the employee match begins, your contributions should start as soon as you are eligible. How much to contribute is usually the hardest decision to make. Challenge yourself to contribute an amount that utilizes the full benefit of your employer match. For example, if your employer matches 50% of your contribution up to 6%, set a goal to contribute 6%—this is an optimal amount for taking advantage of the "free money." Contributing more is even better for your retirement but always strive to contribute at the very least the amount that qualifies for the maximum matching contribution.

You also receive tax benefits when you contribute to your retirement plan. Whether you are contributing to your plan before taxes (traditional 401k) or after taxes (Roth 401k), you won't want to miss out on the tax advantages that your retirement plan can provide.

Getting familiar with your retirement plan and utilizing the plan benefits is the best way to maximize your financial future. Ultimately, your retirement is your responsibility. There is a wealth of knowledge at your fingertips. Consulting your plan sponsor, reading the plan summary, or seeking the expertise of your plan advisor (*The Joseph Group*) are all easy steps to become acclimated with your plan.

In my first month on the job, I have helped participants with questions and concerns. I love having the opportunity to meet new people and look forward to assisting people with their financial dreams.

> ***"You're never too old to set a new goal or to dream a new dream…"***
>
> **— C. S. Lewis**

Dialog with Ivy Funds International Growth Fund Manager F. Chace Brundige

by B. Scott Mizer, Client Advisor & Director, Investment Research

Chace Brundige is our guest for this addition of *Harvest Magazine*. He is the portfolio manager for the Ivy Funds International Growth Fund which is a key holding in our Harvest strategy. Our thanks to Chace and the entire Ivy funds team for their time and insight. Please find below our dialogue:

Please tell us about you, your family, hobbies….?

My investment career began in 1995, when I interned for Waddell & Reed Investment Management Company (an Ivy Funds affiliate) as a technology analyst. It was the summer of the Netscape IPO and I was just beginning to understand the difference between the Internet and America Online (AOL). I had already met my future wife, Anne, at the University of Chicago Graduate School of Business and we married in 1997 after I'd moved to Kansas City to begin working for Waddell & Reed full time.

We are currently focused on raising three fantastic kids, ages 10, 12 and 14 (girl, boy, girl). I enjoy coaching girls' basketball (8th grade this year) and playing tennis and platform tennis, mountain biking, and getting in a round of golf here and there. At this point, however, we spend more time watching than playing: tennis, basketball, baseball, volleyball, track and swimming. We love watching the kids play hard and have fun. All are accomplished students at this point and for that we are grateful.

Can you share a bit about your education, what led you to the investment business and your investment background?

I graduated from Kansas State University in 1991 and began working for UMB Bank, a regional bank headquartered in Kansas City. As a commercial credit analyst I was able to immediately apply my degree in finance (along with a load of accounting) and build upon my education. While I enjoyed banking, what I decided I really wanted to get into, I thought at that time, was investment banking. With that as a goal, I left for the University of Chicago in 1994. After a great deal of research and networking, I realized that investment banking wasn't really what I wanted to do at all. I wanted to be (according to second-year students) on the "buy-side." And they were right.

F. Chace Brundige - Growth Fund Manager for Ivy Funds International.

Since then I've tried several different buy-side flavors: equity research at the Ivy Funds organization, venture capital, and long/short equity. I returned to Ivy Funds in 2003 as an assistant portfolio manager in domestic large cap growth. I began managing my own fund in 2006 and moved to International Growth in 2009. I believe now that I'm right where I should be, as I enjoy it more each year.

With all the different types of international funds available, why should investors have an allocation to an international growth fund?

The historical argument for U.S. investors investing in international funds is to diversify their holdings (the fact that correlation has risen globally over the last decade or so notwithstanding). As a portfolio manager, I simply like the larger sandbox – meaning the opportunity set is larger given the various countries, currencies, central banks, etc. My process is geared toward finding competitively well-positioned companies where the market underappreciates the magnitude and/or duration of that position. Conversely I avoid companies, no matter how large or important to an index, whose competitive edge is breaking down and where the market is over-extrapolating recent good performance. The breadth of opportunities provided by global markets simply provides greater opportunity to generate outperformance.

Where are you finding the most attractive investment opportunities at geographically, and why?

One geography were we've been increasing our weighting is in Japan. While Japan is in serious trouble given its mountainous debt load (it makes the U.S. look downright responsible) and a population that is aging rapidly, it is also home to many world-class companies. Many of these have fallen under great pressure over the last few years as the yen has strengthened to under 80 yen per U.S. dollar from more than 120. The yen strength has been even more pronounced relative to the important South Korean won. South Korea is home to large, directly competitive companies. Recently the yen has begun to weaken as changes in the Japanese government have led to anticipation of "accommodative" monetary policy – read printing yen to weaken the currency. A few months ago we sold yen futures in anticipation of this and have more recently increased our weighting in Japanese exporters and selected financials.

What important investment lesson would you like to share with our clients?

When something changes fundamentally with a large position, leading me to sell a portion, I would typically have been better off selling the whole thing. I continue to learn this lesson, although thankfully less often. In growth investing, much of the value of a given stock is driven by expectation of future cash flows and less about book value or current assets. Thus, even small changes in current performance can lead to very large changes in market value. The elimination of mistakes is probably more important than picking winners.

The Savvy CFP

American Taxpayer Relief Act

by Todd Walter, CPA, CFP®, Client Advisor & Manager, Wealth Planning Services

Most people know the American Taxpayer Relief Act was passed just after the New Year to avoid the "fiscal cliff." What most people don't know is how this act impacts them personally. This issue of *Harvest* we will review the provisions of the Act most likely to impact our clients:

Individual Income Tax Rates – All previous tax brackets are still the same, however a new 39.6% bracket was added. This 39.6% rate applies only to income over $400,000 for single taxpayers and $450,000 for married filing jointly taxpayers.

Capital Gains and Dividends – The capital gains and qualifying dividend tax rates are the same for all taxpayers except those in the newly created 39.6% bracket. Taxpayers in the 39.6% bracket will pay 20% tax on capital gains and dividends. Taxpayers in the 10% and 15% brackets will pay 0% on capital gains and dividends. All others will pay 15% tax on capital gains and dividends.

Alternative Minimum Tax (AMT) – The last several years we have heard a lot about AMT as we approach year-end. This was because the exemption for AMT has not been indexed for inflation. A "patch" has been put into place each year to prevent unintended taxpayers from being subject to AMT. Now, the AMT exemption is permanently indexed for inflation and so hopefully we won't ever have to hear about this issue again!

Estate Tax – The $5 million (indexed for inflation) per person exemption amount is now permanent. This applies to the estate tax, the gift tax, and the generation-skipping transfer tax. For a married couple, not only can each spouse leave $5 million to heirs, but the Act also permanently extends "portability" which allows a deceased spouse to transfer any unused exemption amount to the surviving spouse. These are significant developments for estate planners. We will discuss them in more detail in a future addition of *Harvest*.

Charitable IRA – Once again, taxpayers over the age of 70½ can make IRA distributions up to $100,000 directly to charity without recognizing any income or deduction from the transaction. This provision was only extended through 2013.

Phase Out of Personal Exemptions and Itemized Deductions – Single taxpayers with Adjusted Gross Income (AGI) above $250,000 and married filing jointly taxpayers with AGI over $300,000 will see a reduction in personal exemptions and certain itemized deductions (charitable contributions, mortgage interest, state & local taxes, property taxes, and miscellaneous itemized deductions). The personal exemption phase out will be 2% for each $2,500 by which AGI exceeds the above limit. The itemized deduction reduction will equal 3% of the amount over which AGI exceeds the above limit, but no more than a reduction of 80%.

For a complete understanding of how each of the above impacts you, please contact your advisor.

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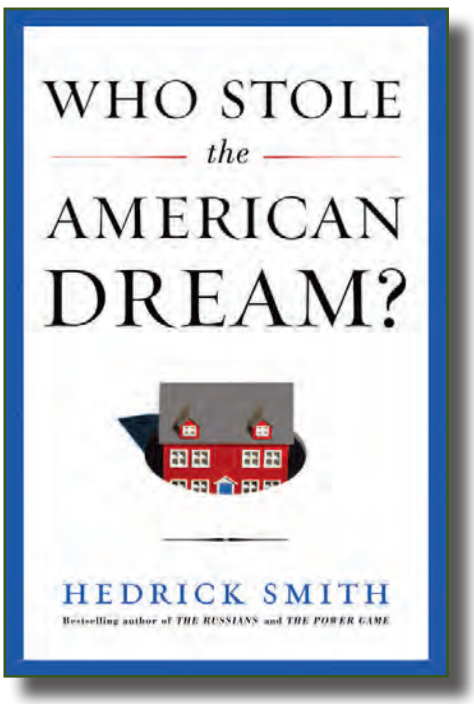
Who Stole the American Dream by Hedrick Smith



Last fall, Pulitzer Prize winning author Hedrick Smith released a new book titled *Who Stole the American Dream*. It provides an eye-opening account of how the American Dream has been dismantled.

Smith notes that post World War II, middle class prosperity thrived as American corporations paid high wages and good benefits. Millions of workers spent their money and business investment increased leading to growth, expansion and higher living standards. He sees this as the "virtuous circle" that Henry Ford pioneered – pay the workers well and they will become consumers.

The author suggests that a sequence of landmark political and economic decisions disrupted this cycle. This includes the almost "accidental" beginnings of the 401(k) plan (thus justifying the elimination of pensions by employers) with negative economic consequences for many. Other factors include major policy changes under President Jimmy Carter, and how the "New Economy" (our move from a manufacturing to a service based economy) interrupted America's engine of shared prosperity. The 1980s ushered in the era of job losses and a lid on average pay scales and consumer spending declined.