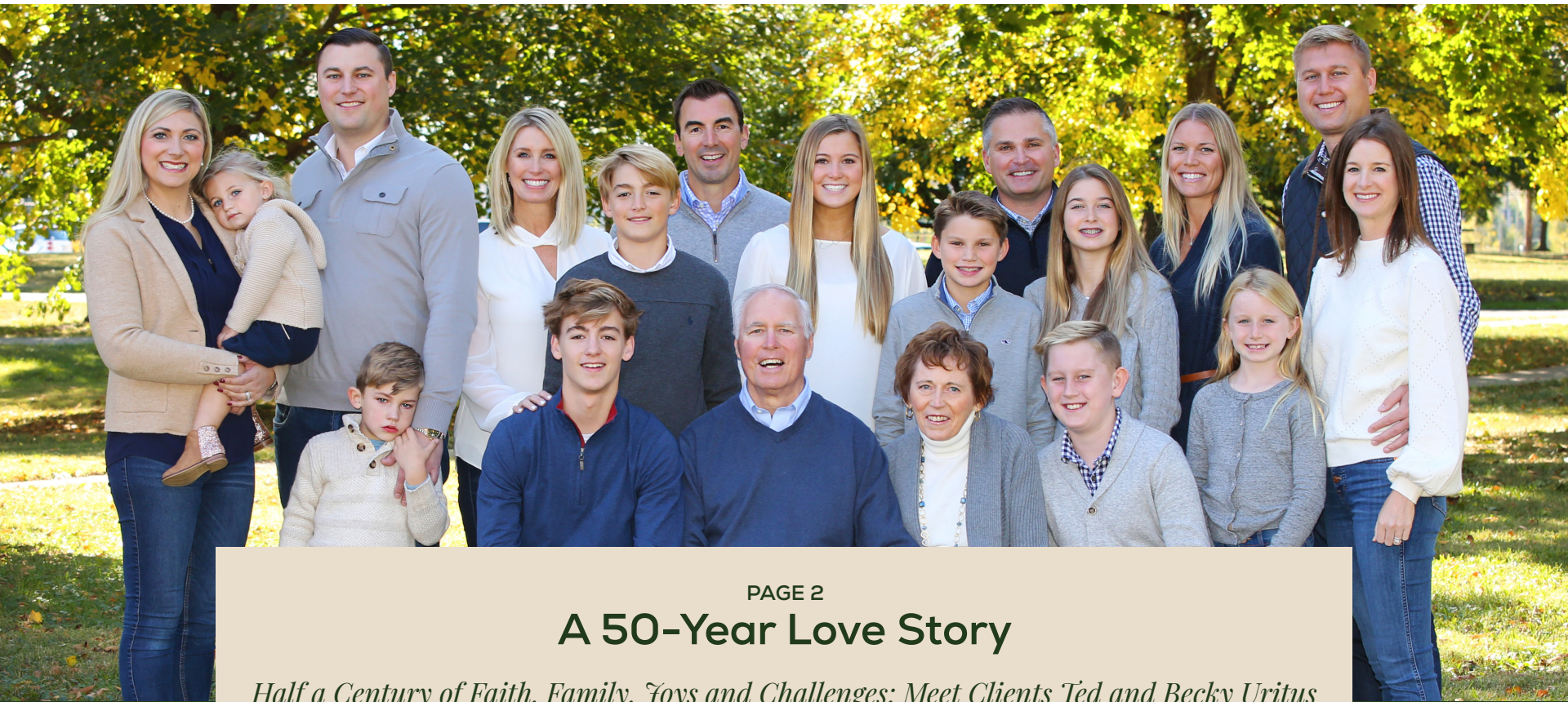


WINTER 2020

HARVEST

a journal on true wealth building and sharing



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OUR COMPANY

The Joseph Group has a simple but powerful mission: *to help our clients live great lives...one story at a time.* We do this by understanding and encouraging our clients' cherished dreams and then develop tailored financial plans and portfolios that help each client live a life of purpose, a life of greatness.



▲ The Joseph Group team, from left to right:

Jake Martin, CFP; Ben Borich; Bridget Head; Tim Petska; Todd Walter, CPA, CFP; Kimberly Kline; R. Travis Upton, CFA, FRM, CAIA; Mark Palmer, JD; Matt Palmer; Scott Mizer, QKA; Emily Mayes; Chris McConaughy, CFP, ChFC; Jodi Picetti; Nick Boyden; Lori Fiske; Jeff Tudor, CRPS; Dave Suchland, CRPC; (Not Pictured: Alex Durbin)



This year our firm is celebrating our 20th year in business! Over those 20 years we've come to do our work in a particular way - *The Joseph Group Way* - and we're excited to share that with you.

Dear Clients and Friends:

Simply put, *The Joseph Group Way* begins with **you** (our cherished client) and the *purposes* that gives your life meaning and joy. For many of you, that's your family - your children and grandchildren. For others it's your faith or a not-for-profit you're involved with. For others, travel or a particular hobby defines your purpose. Whatever it is, we want to know and understand it - for your *purpose* defines your version of a great life and that is our mission - *to help each of our clients live a great life....one story at a time!*

As we understand each client's purpose, we are better able to develop a wealth plan and portfolio that enables that purpose to be realized. It is so inspiring for our team to see clients moving in and through retirement with confidence - knowing that their

wealth plan and their portfolio have been carefully designed to support the great life they've chosen to live! Our short hand vernacular refers to *The Joseph Group Way* as a perfect blending of 3 P's: *Purpose, Plan* and *Portfolio*.

We're also excited to share that Travis Upton, a partner in the firm and our long time Chief Investment Officer, will succeed Matt as CEO of the company, effective January 1st. This is part of a careful and gradual succession plan; the two of us will continue to be very involved in a full range of mentoring, client advising, strategic planning and business development initiatives.

Now....on to this issue of *Harvest Magazine* - we're so pleased to share the beautiful 50 year love story of clients Ted and Becky Uritus. Their life purpose is centered around their faith and their family; enjoy learning about this very special couple.

Please also take note of our December 5th Winter Wealth Summit. *The Power of Purpose* is the topic and our keynote presenter is Jason Barger, a New York Times celebrated author and nationally known speaker, consultant and thought leader. Bring a friend and get ready to be inspired!

2019 has been a wonderful year of growth and change - and our team loves the excitement those bring! What does not change is our commitment to each of you and to the values we hold so dearly: *Integrity, Teamwork, Humility, Excellence* and *Enthusiasm*. They have shaped our firm's past and will continue to shape our firm's future. Have a blessed and joyous holiday season!

In faith and hope,
Mark and Matt



TED AND BECKY URITUS

A 50-YEAR LOVE STORY

HALF A CENTURY OF FAITH, FAMILY, JOYS & CHALLENGES

TJG Note: Joseph Group CEO Matt Palmer had the pleasure of interviewing Ted and Becky recently for this story. Below are excerpts from that interview – we know you will be as inspired as we are by this remarkable couple!

MATT: Ted, please share with our readers how you and Becky met.

TED: Let me start by going back a few years before we met. In 1965 I had returned stateside after serving a stint in Vietnam with the Marines. I was born and raised in Willoughby, OH and had played football at John Carroll University – as a result my tour of duty included coaching Marine football teams on Okinawa and at Quantico. When I left the service I was looking to transition to business so I took a sales job in Cleveland with DuPont. But the coaching bug was strong



▲ Ted and Becky at a recent black tie event

and I soon left to join the University of Dayton coaching staff while beginning work on my MBA.

While I was at UD a Marine buddy, Jay Robertson, (and former Northwestern football player) called me and

said I needed to meet Becky Biggs, from Athens, OH – Becky was a friend of his and was pursuing a Master's degree in physical education at Northwestern while also helping coach the women's basketball, golf and field hockey teams. I got up the courage to call her home and still remember how her mom answered the phone and said, "She's out playing golf." My dream was to marry a good Catholic girl who loved sports – so I thought that was a great sign!

While on a recruiting trip soon after, I made arrangements to fly through Chicago to meet Becky – our first date was over drinks at a bar in the Chicago airport. We dated for less than a year and were married on August 9, 1969 – 50 years ago!

MATT: Wonderful! Ok Becky, take it from there.

BECKY: Well in the summer of 1970 Ted completed his MBA and accepted a job selling homes with Ryan Homes – based in their Cincinnati office – so off we moved. He was promoted and transferred to Louisville where our first child, Amy, was born ('72). Ted was promoted to division manager which took us to Columbus in 1973. Our son Matt was born in '73 followed by Meg in '76 and Teddy in '84.

▼ Ted and Becky on their wedding day



TED: In '74 I left Ryan Homes to join local Columbus developer Don Borrer and his company, Beasley Homes – which later became Dominion Homes. I felt very fortunate to be there and worked hard to help him build that company. As my career there progressed we chose to move from our Westerville home and built a new home in Upper Arlington – which became our home for the next 30 years.

MATT: How did Sovereign Homes get started?

TED: In 1989, I decided that it was time to start my own company so I formed Sovereign Homes (named to honor God) with a business partner, Ron Casteel.

Columbus was growing! We worked hard and we were very blessed – the company became one of the top home builders in central Ohio.

I made a commitment early on to personally deliver the house keys and do a walk through with each home purchaser for every home we built.

”

Love is patient, love is kind...it always protects, always trusts, always hopes, always perseveres.”

1ST CORINTHIANS 13:4,7



▲ Ted and Becky with their four grown children – sons Teddy and Matt and daughters Amy and Meg

A 50-YEAR LOVE STORY

MATT: Becky, I know that Ted also got back into coaching – this time for your sons, right?

BECKY: Yes, he made time to coach our two sons' youth football teams at our parishes – St. Paul's Catholic Church in Westerville and then later, St. Andrew's Catholic Church in Upper Arlington. He loved doing that! And after his business career wound down he jumped back into coaching one final time – helping out with the Arlington Youth Football League, where he had the joy of coaching our grandson, Quinn.

MATT: Ted, how about Becky, share with us all that she was getting involved with.

TED: Not only was she very busy raising our four children but she also was becoming a well-known local amateur golfer – her dad had passed on his passion for the game when she was only 7 years old. In the early 80's she began to play in earnest and for the next 25 years she was one of the top amateur women golfers in central Ohio.

She won the Ladies Club Championship at the Columbus Country Club 12 times, at the Scioto Country Club one time, the Franklin County Ladies Amateur Championship two times and was a finalist in the State of Ohio Women's Amateur Championship. She also competed in the national USGA Women's Senior Amateur championship – finishing as one of the top 16 women golfers in the nation! I'm very proud of her golfing career and very grateful that she always gave me strokes when we played together!

And she too got back into coaching including serving as coach of Watterson's girls' varsity soccer team where she had the joy of coaching both of our daughters.



▲ Becky lining up a putt



▲ Becky was one of the top women amateur golfers in Ohio

MATT: I know that you both have a strong Christian faith and have been very active at St. Andrew's Catholic Church for many years.

TED: Yes, our faith in Christ has been like an anchor.

We have seen God's presence in our lives from early on – through all of the ups and downs of raising the children to running the business and even now in retirement.

Family vacations have also been very important to us. When the children were young we went to Snowmass in Aspen – which ignited a love of skiing. We were fortunate to later build a vacation home in Deer Valley, Utah (near Park City); our entire family continues to gather there for vacations.

BECKY: And more recently, as the grandchildren have started to come along, we've added a bi-annual beach vacation somewhere on the east coast – typically Outer Banks or Virginia Beach.



▲ Ted and Becky's home in Deer Valley, Utah

MATT: Amy, thanks for being here for this interview. Give our readers a quick overview of all of the grandchildren.

AMY: Well, Josh (Corna) and I have three children: Julia, Quinn and Zach. Matt and his wife Erin have two children: Max and Eva. Meg and her husband Troy (Zimpfer) have two children, Lola and Luke. And Teddy and his wife Samantha have two children: Conrad and Scarlet. We're very blessed that all four families live in Columbus.

MATT: Ted, in 2010 a new chapter of your life began as both of you were diagnosed with Parkinson's Disease.

TED: Yes, it is unusual for a married couple to both be diagnosed with Parkinson's. While the disease is challenging, we know the Lord is with us and we are so grateful for the love and support of our family. We take life one day at a time now and try to live each day with faith and hope.

MATT: Thank you Ted and Becky. We are so thankful to have this opportunity to share your inspiring lives with our readers: you two are proof positive that faith and family are bedrocks upon we can build joy filled lives. Our prayers go with you as you begin a second half century of marriage – that you will continue to experience great joy and great gratitude. 🙏

TRAVIS UPTON NAMED NEXT CEO OF THE JOSEPH GROUP



Travis Upton, Partner & Chief Investment Officer of The Joseph Group, will become CEO of the company effective January 1st. This is part of a planned and ongoing business succession plan; current CEO and co-founder Matt Palmer will join twin brother and co-founder Mark as co-chairmen of the firm.

In commenting on this announcement, Mark shared, "Since joining our firm nearly 16 years ago, Travis has taken on ever increasing responsibilities. His demonstrated commitment to our mission and values and his broad experience in all areas of our firm makes him the perfect choice to succeed Matt as CEO of the company."

Matt added, "Travis lives our values beautifully and will ensure that our company continues to reflect those values in all that we do as an organization. Mark and I are so thankful that Travis, along with Scott Mizer (Joseph Group Partner & President) and Todd Walter (Partner & Chief Wealth Planning Officer) have joined Mark and me as owners – they provide great leadership for our team."

Mark and Matt continue as co-chairmen of the firm and remain active in a full range of leadership, team mentoring, client advising and business development initiatives.

Travis holds a BBA in Finance from the University of Toledo where he was the 1998 College of Business Valedictorian. He holds a number of professional designations including the Chartered Financial Analyst designation. Prior to joining The Joseph Group in 2004 as an investment analyst, Travis had served as Portfolio Manager at Fifth Third Bank and as an Account Executive with the Harbor Funds. Active in church and civic organizations, Travis and his wife Shannon live in Hilliard and have three children.

In commenting on his new role Travis shared: "Matt and Mark named The Joseph Group after their dad, Joseph Palmer, because of his character, values, and servant's heart. From the very beginning, this company has been about enriching the lives of others and I'm humbled and honored to continue that legacy."



MARK HORVATH SHARES HOW HE IS LIVING OUT HIS PASSION BY GIVING A FACE AND VOICE TO HOMELESSNESS

2019 SPRING WEALTH SUMMIT

We were delighted to host Mark Horvath, founder of Invisible People, for our Spring Wealth Summit on April 24th at NOAH's of New Albany. Mark shared how he is living out his passion by giving a face and voice to homelessness. Having once been homeless himself, Mark now captures the stories of the homeless on his video camera and travels the world to share them in efforts to inspire others to change how they perceive a serious social crisis that's mostly ignored.

We also hosted a panel of three local experts including Bruce Luecke with Homeport; Sue Vilillo with Faith Mission; and Ben Sears with Mt. Carmel Health System, who discussed homelessness in Columbus and our community's efforts to help those in need.

Thank you to CF Bank for co-hosting the event with us and thank you to all of our guests who attended and made this an evening to remember!



▲ Each centerpiece told the story of a person who has experienced homelessness



▲ TJG's Jeff Tudor and Dave Suchland with clients Steve King and John Cheek



▲ Mark Horvath addressing guests



▲ Clients Dawn George, Cindy Ward, Mary Martin, Terry Ward and Will George



▲ Our local panel of experts with Mark Horvath

2019 WINTER WEALTH SUMMIT

FEATURING JASON BARGER

JOIN US!

Be our guest for cocktails and hors d'oeuvres at our 2019 Winter Wealth Summit hosted at The Columbus Foundation as Jason Barger, New York Times celebrated author, consultant and thought leader, presents on The Power of Purpose to inspire, guide and enrich our lives and the lives of those around us.

RSVP to Lori Fiske by phone or email:
614-228-4300 | events@josephgroup.com



Thursday,
December 5, 2019



The Columbus
Foundation
1234 E Broad St.
Columbus, OH



5:00–7:00 pm



▲ Jason Barger
Author, Speaker & Consultant

OPEN DOOR ART STUDIO

*The Ladies of The Joseph Group Host
Second GatHERing at Open Door Art
Studio & Gallery*

The Joseph Group shared a wonderful evening with our female clients and friends at our second GatHERing event on March 20, 2019 at Open Door Art Studio - a non-profit that provides studio space and supplies to local adult artists with disabilities.

Our own Bridget Head guided our guests through our investment process followed by an inspirational talk from Open Door Art Mentor, Claire Smith. The evening ended with a tour of the art gallery where artists work is displayed and for sale.

**Claire's message was
a warm reminder that
creativity knows no
boundaries.**

Thank you to Claire and Open Door Art Studio for creating an environment that encourages expression without limitation!



▲ The ladies of our team at our second GatHERing event at Open Door Art Studio & Gallery

TEAM UPDATE



KIM KLINE

received last quarter's Joseph Palmer Values Award, given each quarter to a Joseph Group team member who exemplified to an extraordinary degree our firm's core values of integrity, teamwork, humility, excellence and enthusiasm.

Kim received nominations by several team members. Bridget Head shared in her nomination: "Kim is truly enthusiastic about her work and incredibly humble; anytime someone gives her praise, she is quick to give credit to others." Nick Boyden wrote in his nomination, "She works hard for our clients and does a great job with plan participants - serving them with kindness and efficiency."

We are so thankful to have Kim on our team and congratulate her on being this past quarter's Joseph Palmer Values Award winner!



MARK PALMER

was reappointed to the Board of Directors of the Ohio Bureau of Workers' Compensation earlier this year. Mark was originally appointed to the Board by Governor John Kasich in 2011. He was subsequently reappointed by Governor Kasich to two additional 3-year terms. With the expiration of Mark's third term, his Board seat opened and he was reappointed to the seat by Governor Mike DeWine.

Mark will continue to serve as Chairman of the Board's Investment Committee, which oversees investment policy for the Bureau's investment funds totaling in excess of \$28 billion. In addition to Mark's service as Chairman of the Investment Committee, Mark was elected to serve as Vice-Chairman of the Board.

Earlier this year our firm received two coveted industry awards: AdvisoryHQ named us one of the top 12 financial advisory firms in Ohio and Citywire Registered Investment Advisor named us one of their up and coming Future 50 Registered Investment Advisory Firms.

AdvisoryHQ distributes content for news media outlets and conducts independent ratings of businesses in select industries. The Joseph Group was one of 12 advisory firms in Ohio that received all 5's (the highest ranking) across all criterion.

And Citywire Registered Investment Advisor (a leading magazine in the investment advisory industry) named us one of their Future 50 - a select list of 50 investment advisory firms across the country that best represent the future of our industry.

Joseph Group Partner & President Scott Mizer shared, "These awards reflect a passionate dedication to excellence that our team demonstrates every day. They also inspire us even further to fulfill our mission of helping our clients live great lives while also living our five core values. Our thanks to each team member and to all of our clients for the opportunity to serve them."



2019 MEN'S BUS TRIP TO MARION CORRECTIONAL INSTITUTION

For the fifth year, The Joseph Group sponsored a bus trip up to Marion Correctional Institution to provide friends and clients of the firm with an opportunity to spend a day with 30 inmates who are participants in a special program called Embark. Offered by Kindway (a central Ohio based Christian ministry dedicated to helping men and women with their journey from incarceration to independence), Embark is receiving national recognition for its effectiveness in preparing men and women prior to their release and then accompanying them for the first year – providing much needed assistance with housing, employment and a supportive network of people.

Volunteers for Kindway and Embark include a number of Joseph Group clients that are retired or semi-retired and who serve as “navigators” (mentors) for men and women as they are released and move to Columbus.

This year's trip to Marion Correctional Institution was Tuesday October 8th – and consisted of 40 men from central Ohio – both active and retired local business and community leaders. The day consisted of small group discussions where these “outside” men got to know the “inside” men. Lots of tears and laughter as we heard tragic stories of very challenging childhoods and terrible mistakes – but also the power of faith in Christ to take responsibility for their actions as well as to heal, restore and enable new beginnings.

We're so grateful to the Kindway staff and the men up at Marion Correctional Institution for being such gracious hosts. Special thanks to Rich King and Jeff Siefker for all of their help in organizing the day. And on November 20th, we sponsored our first day long women's bus trip to the Ohio Reformatory for Women in Marysville.



▲ Preparing to board the bus for the trip to Marion Correctional Institution

CONGRATS, MATT!

Congratulations to Joseph Group CEO Matt Palmer who was named by other local executives as a Most Admired Executive in Central Ohio



Sponsored by Columbus Business First, this annual C-Suite Award program receives nominations and then contacts all of those nominated – asking them to vote among those nominated for the most outstanding execs in local Ohio across various categories of company size and title (CEO, CFO, etc.). Business First hosted a gala dinner and recognition event at the Hilton Hotel on Thursday evening September 26th.

Matt joins 40 other executives recognized for 2019. Congrats, Matt!

Are You Asking the Right Questions?

The Joseph Group is a fiduciary which means we have one goal for the investments we choose for client portfolios: create the best odds of our clients meeting their objectives to allow those clients to live great lives. Consider these two simple questions:

- *“Am I minimizing my costs?”*
- *“Am I maximizing my wealth?”*

Both questions are important but we believe one of them does a better job of expressing a spirit of abundance. We often hear the first question from index fund investors, but we believe it is too narrow. The second question not only implicitly addresses cost, it also speaks to the sense of purpose which drives the objectives our clients have for their wealth.



▲ Travis Upton, Partner and Chief Investment Officer

A TALE OF TWO MEETINGS

Earlier this year, I had a day where I met with two very different clients – one in the morning and one in the afternoon. Here are snippets of dialogue from those meetings.

MORNING MEETING

Client 1: *“Is this an index fund you have in the portfolio? Why is it in there?”*

Travis: *“Yes! That’s an exchange traded fund (ETF) which tracks an index for small, dividend paying stocks. We want small company exposure and we are using an index ETF to get that exposure because it is tax-efficient and low cost.”*

Client 1: *“I get it, but I have to tell you, I really don’t like index funds. Don’t people understand that index funds give you all of the upside of the market, but they also give you all of the downside? And who cares about lower fees, because fund returns are always reported net of expenses, so just look at the return! I would rather you guys find an active manager who has the ability to protect my portfolio on the downside when markets are rough.”*

AFTERNOON MEETING

Client 2: *“I recently read Tony Robbins’ new book on investing and it said that unless your wealth advisor is using low cost index funds in your portfolio, you shouldn’t trust him/her. Do I have index funds in my portfolio with The Joseph Group?”*

Travis: *“Yes, there are a few places where we are using index funds.”* (as I point to the screen).

Client 2: *“This book says most active managers don’t outperform the index and index funds have much lower fees. Why isn’t my portfolio in ALL index funds? Doesn’t that mean I’m paying higher fees that are eating into my returns?”*

I smiled as I drove home that day as those completely different conversations were a great reminder of why I love my job.

LAYING OUT THE FACTS

The two clients I met with that day had very different views concerning index funds, but both of their opinions were grounded in facts:

- Index funds seek to track an index and as a result, will tend to get 100% of the upside AND downside of that index.
- Index funds tend to have lower internal costs than actively managed funds.
- Fund returns are always reported NET of internal expenses which means any difference in fees is already accounted for when comparing returns across funds.
- The average active manager does not outperform the index after fees.
- The average person is not able to dunk a basketball and NBA teams rarely (never?) recruit average people.

So, if those are the facts, what do we do with them?

*No information in our Harvest Magazine should be considered investment or personal financial advice. Nor does any information contained in this publication serve as the receipt of, or as a substitute for, personalized investment or financial planning advice from The Joseph Group.

THE RIGHT TOOL FOR THE RIGHT JOB

At a recent Portfolios and Pints event, I used an analogy to describe our views on using active and passive funds. I asked the audience to think about the toolbox they have at home and to raise their hand if they own a flat-head screwdriver and then again if they own a Phillips-head screwdriver. In both cases, everyone in the room raised their hand.

Just like different screwdrivers are used for different tasks, we want BOTH active funds and index funds as tools in our tool box because we want to have the ability to use the right tool for the right job.

TO INDEX OR NOT TO INDEX

Every fund we buy in the objective-based portfolios we manage for clients has a thesis for why we own it. Sometimes the thesis involves simply getting exposure to an asset class we think has upside potential. In that case, we may want to get that exposure as cheaply as possible through an index fund. We also note index funds tend to make fewer capital gain distributions and as a result, we tend to use more index funds in the “Tax Aware” versions of our portfolios.

For some of our strategic positions, our thesis focuses on the “capture ratio” which is a fancy way of saying how much of a market’s upside an investor is getting relative to the downside. Investment math is skewed toward downside risk. If an investor loses 25% in their portfolio, the amount they need to get back to “even” is not +25% – it’s +33%! In volatile markets, we want to tilt the math back in favor of the investor. An active fund which captures less of the downside has the potential to outperform an index over a full cycle, even if it also captures less of the upside.

ASSET CLASSES

The decision to use active funds or index funds in a portfolio is heavily influenced by the asset class we are wanting to gain exposure to. Here are our thoughts across major asset classes:

HIGH QUALITY BONDS

Most bond indexes are heavily weighted toward government bonds. Unless our thesis is to focus on government bonds, we tend to favor active managers which can pick bonds across other sectors and can add higher rates of income to the portfolio.

CREDIT

Most high yield bond index funds invest more dollars in companies which take on the most debt, without regard for credit quality. Within the credit portion of our allocations, we typically want to use active managers which are researching the credit quality of the bond.

GLOBAL STOCKS

We generally use both active managers and index funds. The index exposure gives allows us to control expenses in efficient areas of the market while active managers give us the potential to achieve better “capture ratios” in volatile markets.

REAL ASSETS

We favor active managers in areas like real estate and infrastructure where we believe markets are less efficient and active manager can capitalize on that inefficiency.

THE BOTTOM LINE

Active managers and index funds have the ability to complement each other in an objective-based portfolio and as a result, we use both. We will always seek to minimize costs in the portfolios we manage, but the most important goal is maximizing the opportunity our clients have to achieve the purpose they have for their wealth.

WELCOME, ALEX!



Alex Durbin, CFA has joined the firm as a Portfolio Manager and will assist the Investment Committee with construction of The Joseph Group’s objective based portfolios. Chief Investment Officer, Travis Upton, commented, “Alex possesses a combination of investment savvy, communication ability, and love for people which is rare in the investment industry. He is an incredible addition to our team.”

Alex received a BA in Finance from Cedarville University and was awarded a M.A in Financial Economics from Ohio University. His career has spanned both individual and institutional asset management. Most recently, Alex spent four years at the Ohio School Employees Retirement System where he managed the global equity portfolio and was a member of the organization’s investment committee.

He and his wife Cynthia live in Johnstown and have two boys – Thomas and Dallas. They are members of Jersey Baptist Church in Pataskala. Alex loves being with his family and spending time outdoors hiking, running, and skiing. When not outside or busy with his sons, Alex enjoys cooking ethnic foods, listening to oldies, or reading on a variety of topics including history, business, theology, and Christian apologetics. Welcome Alex!

CORE PORTFOLIO ALLOCATIONS

AS OF SEPTEMBER 30, 2019

CONSERVATION

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

SECTOR ALLOCATION:

Cash:

1% Liquidity

Core Short Term Bonds:

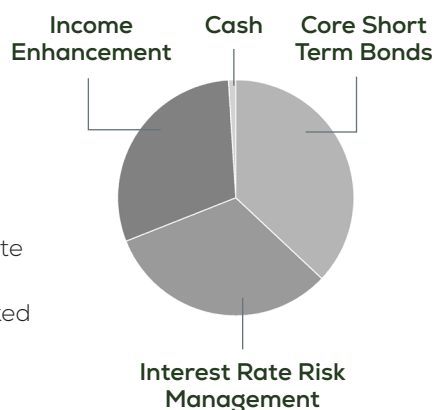
30% High quality, low cost index

Interest Rate Risk Mgmt:

32% Ultra short, floating rate

Income Enhancement:

37% Corporate, asset backed



PROVISION

Objective*: Sustain wealth by focusing on current income and low principal volatility over the long term.

Volatility Target*: 3 to 8%

SECTOR ALLOCATION:

Cash:

1% Liquidity

HQ Bonds:

32% Corporate, short term

Credit:

17% High yield, 6% rates

Global Stocks:

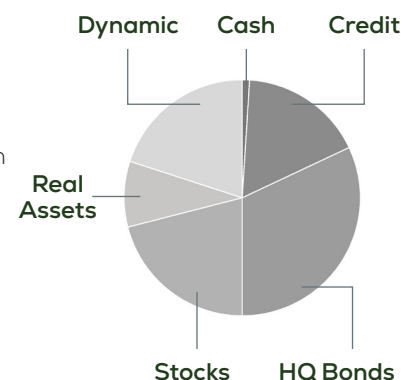
21% Blue chip dividends

Real Assets:

9% REITs, commodities

Dynamic:

20% Tactical income



HARVEST

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

Volatility Target*: 8 to 15%

SECTOR ALLOCATION:

Cash:

1% Liquidity

HQ Bonds:

32% Corporate, short term

Credit:

17% High yield, 6% Rates

Global Stocks:

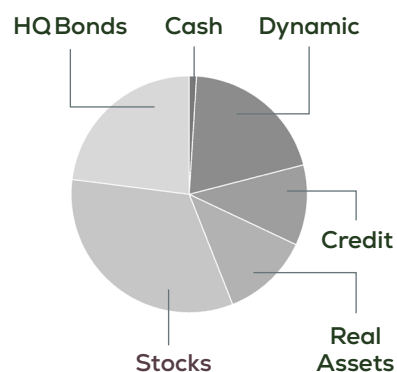
33% Active and index

Real Assets:

12% REITs, commodities

Dynamic:

20% Tactical allocation



ABUNDANCE

Objective*: Aggressive, concentrated portfolio that seeks to outperform major market averages over long-term market cycles.

Volatility Target*: 15 to 24%

SECTOR ALLOCATION:

Cash:

2% Liquidity

Global Index:

29% Low cost index

Active Global:

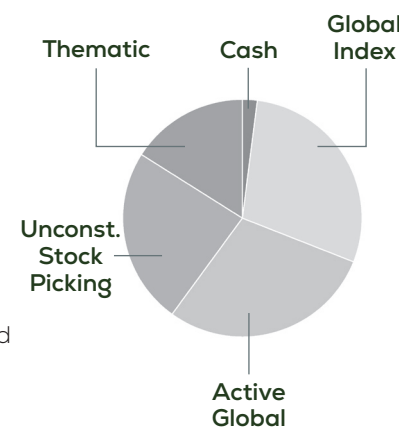
29% Growth, value, small

Unconst. Stock Picking:

24% Value tilt

Thematic:

16% Emerging markets, gold



*There is no guarantee portfolio objectives or volatility targets will be met. Allocations subject to change without notice.

CLUMP, LUMP AND JUMP INTO A DONOR ADVISED FUND

"I'M SORRY, BUT YOU DID NOT RECEIVE ANY TAX BENEFIT FOR YOUR CHARITABLE CONTRIBUTIONS."

"HOW CAN THAT BE? I'VE ALWAYS DEDUCTED MY CONTRIBUTIONS IN THE PAST."

This was a common conversation this past tax season. Millions of Americans are no longer deducting their charitable contributions.



Todd Walter, Partner and Chief Wealth Planning Officer ▲

THE TAX CUTS AND JOBS ACT OF 2017

The Tax Cuts and Jobs Act of 2017 lowered tax rates, but it also made several changes to our deductions. As in the past, taxpayers will compare the standard deduction to their itemized deductions and claim the higher of the two. In an attempt to simplify tax returns, the standard deduction was essentially doubled and certain deductions were limited under this Act resulting in fewer taxpayers needing to itemize their deductions, including charitable deductions.

WHAT ARE YOUR OPTIONS?

Qualified Charitable Distribution

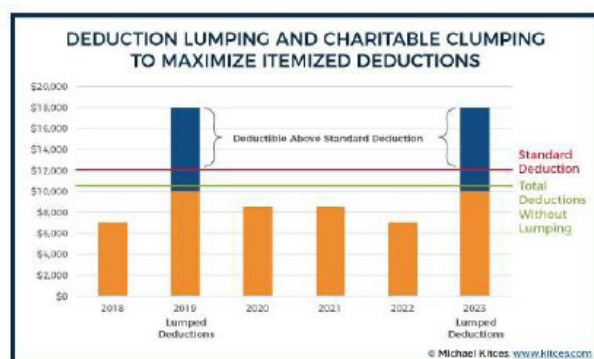
In a 2018 Harvest magazine article, we shared one solution to this issue: the Qualified Charitable Distribution, which applies to individuals over the age of 70½ who can make charitable contributions directly from an IRA.

Charitable Clumping

The charitable clumping concept is quite simple: prefund multiple years of charitable contributions in one year. The goal is to contribute enough for your itemized deductions to be higher than the standard deduction. Any contributions above the standard deduction result in tax savings. You can also consider lumping additional deductions together in one year to maximize the benefit. The diagram on the left shows an example of a taxpayer filing as "Single".

The diagram on the left shows an example of a taxpayer filing as "Single".

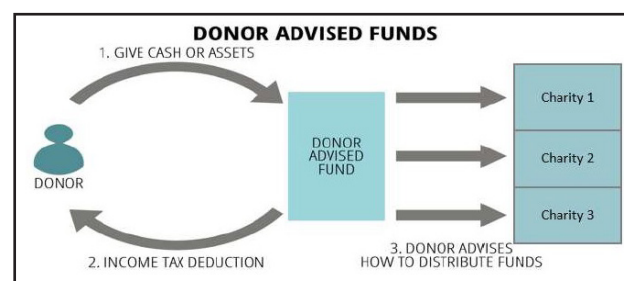
▲ Deduction Lumping and Charitable Clumping
Source: [kites.com](http://www.kites.com)



DONOR ADVISED FUND

Don't know who you want to give to or how much you want to give them? A Donor Advised Fund is the perfect answer.

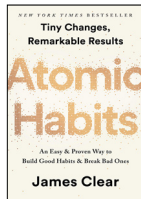
Donor Advised Funds allow taxpayers to make charitable contributions to a fund, receive an immediate tax deduction, but delay the ultimate distribution to specific charities until the donor is ready. Funds can sit in a Donor Advised Fund as long as the donor wishes and can even be invested and grow tax-free. When the donor is ready to give to a qualified charity from the Donor Advised Fund, the donor recommends the grant for the fund provider to approve. The best part: one tax receipt at year-end!



▲ Donor Advised Funds
Source: TJG

We never want the tax benefits to drive our charitable giving. We want to give eagerly and intentionally. But we also want to give wisely, and wise giving should at least consider the available tax benefits. As we approach year-end, now is the perfect time to talk with your tax advisor to see if prefunding several years of charitable contributions to a Donor Advised Fund makes sense for you. Happy Giving!

FROM THE BOOKSHELF



Atomic Habits by James Clear

No matter your goals, *Atomic Habits* offers a proven framework for improving--every day. James Clear, one of the world's leading experts on habit formation, reveals practical strategies that will teach you exactly how to form good habits, break bad ones, and master the tiny behaviors that lead to remarkable results.

If you're having trouble changing your habits, the problem isn't you. The problem is your system. Bad habits repeat themselves again and again not because you don't want to change, but because you have the wrong system for change. You do not rise to the level of your goals. You fall to the level of your systems. Here, you'll get a proven system that can take you to new heights.

Clear is known for his ability to distill complex topics into simple behaviors that can be easily applied to daily life and work. Here, he draws on the most proven ideas from biology, psychology, and neuroscience to create an easy-to-understand guide for making good habits inevitable and bad habits impossible.

Along the way, readers will be inspired and entertained with true stories from Olympic gold medalists, award-winning artists, business leaders, life-saving physicians, and star comedians who have used the science of small habits to master their craft and vault to the top of their field.

Learn how to:

- make time for new habits (even when life gets crazy);
- overcome a lack of motivation and willpower;
- design your environment to make success easier;
- get back on track when you fall off course;

...and much more.

Atomic Habits will reshape the way you think about progress and success, and give you the tools and strategies you need to transform your habits--whether you are a team looking to win a championship, an organization hoping to redefine an industry, or simply an individual who wishes to quit smoking, lose weight, reduce stress, or achieve any other goal.



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For Important Disclosures, please visit: josephgroup.com/custody-and-policy/

Client assets under our management and consultation have grown from \$31 million, when we commenced business in February 1999, to more than \$465 million as of December 2018. Of that total as of December 2018, The Joseph Group's total regulatory discretionary assets were \$417,236,000 and the remaining \$47,770,000 of assets were comprised of group retirement plans for which we consult.

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