

WINTER 2023

HARVEST

a journal on true wealth building and sharing



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OUR COMPANY

The Joseph Group has a simple but powerful mission: *helping create 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 greatness.



▲ The Joseph Group team, from left to right:

Front Row: Andrew Burkey; Ryan Kuhn; Michelle O'Brien; Alex Durbin, CFA; Jodi Picetti; Theresa M. LeChard, CFP®; Matt Zimmermann, CFP®; Angie Eversole; Jake Lindaberry; Kimberly Kline, CRPS®.

Back Row: Alex Jenney; Nick Boyden; Lori Fiske; Jake Martin, CFP®; Matt Palmer; Todd Walter, CFP®, CPA; R. Travis Upton, CFA, FRM, CAIA; Scott Mizer, OKA®; Mark Palmer, JD; Jacob Kipi, CPA; Dave Suchland, CRPC®; Matt Kruckenberg, OKA®; Jeff Tudor, CRPS®.



Dear Clients and Friends:

Investigation and infrastructure are two words which have framed many of our Joseph Group internal team meetings in 2023. As we enter our 25th year in business, we have an unwavering commitment to the great lives of our clients and team members.

While the mission is consistent, as we look to the future, we know what got us here won't get us there. We define the principle behind The Joseph Group's value of Excellence as: "we strive to avoid complacency and seek to make it better." Living our value of excellence means we are determined to make it better.

Investigation is the process of asking, "How do we actually make it better?" Many of our clients are looking to move with confidence from full-time careers to the next chapter of their lives, which is typically more focused on relationships with family, love of travel or hobbies, and a desire to serve and help others. Our team is privileged to serve as a guide, using planning and portfolios as tools to help our clients live a great life full of purpose. The process of investigation means truly seeking to understand what our clients need in different seasons of life, identifying ways to encourage dreams, and ensuring we are equipped to clarify a simple-to-follow path for each client.

Infrastructure refers to being thoughtful about the people, processes, and physical tools to make it all happen. As I look at the team picture on the preceding page, we see the impact of years of planning which came together in 2023. Our team is sitting in front of our new home at 605 South Front Street, a place which has given energy to team

members and clients alike. The picture also illustrates we are blessed with growth. Finding young professionals who are passionate about impacting clients' stories has meant partnering with local universities and investing in relationships with young future professionals.

For example, Mt. Vernon Nazarene has one of the best financial planning programs in Ohio (and we say this as Buckeye fans). Dr. Kelly Rush oversees a program where students not only learn financial planning concepts, but also graduate certified in eMoney planning software and meet the requirements to sit for the Certified Financial Planner (CFP) exam. Over the last year, Todd and Travis have prepared and judged financial plan case studies at Mt. Vernon, and two of the top students who graduated in May are two of our newest team members.

Another part of infrastructure is creating a clear career path for our talented associates. Theresa LeChard and Jacob Kipi hold the position of Wealth Advisory Associate, a role which is designed to not only enhance service to our clients, but also prepare Theresa and Jacob for successful long-term careers as a Client Advisors.

In this issue of Harvest Magazine, we share the great life story of dear friend and client Wendy Falcone. Wendy's passion for flying, fostered by her father, led to a successful career as a pilot. And while a medical condition forced her to retire in 2017, she is still flying high and living with purpose in the next chapter in her story. We also feature the talents of one of our great 401(k) clients, Boyden Renovations, and how their focus on relationships is the key to turning a client's vision into reality.

We are thrilled to introduce you to some of the new faces at The Joseph Group and share some other exciting team news. Of course, we also have our regular columns: MARKETalk where Travis and Alex discuss the changing landscape of financial markets and Savvy CFP in which Todd encourages us to give of our time, talent, and treasure and live a truly generous life. Finally, Matt provides a terrific book recommendation, Purposeful Retirement, by Hyrum W Smith, which seeks to not only help people get excited about what they are retiring from, but also what they are retiring to.

Thank you for the privilege of being part of your story.

In faith and hope,
Travis, Scott, Todd, Mark, and Matt



WENDY FALCONE

A LIFE STILL SOARING

TJG Note: We are excited to share the great life story of client and friend Wendy Falcone. Her transition from a career as a pilot to her current life is sure to inspire and help us think about how to best live our next chapters. Enjoy.

Wendy, we're excited to share your great life with our clients and friends. Let's start with background - tell us about your early years and looking back, what kind of foundation those years built for you.

I was raised just outside of Forestville, a small town in western New York state. I'm the oldest of four children and the only girl. My paternal grandfather came to this country from Italy and his family started Falcone Farms. My father eventually joined the business as did my uncle and later, my cousin. My maternal grandmother once ran for mayor of the town and ran the office for the foundry that my maternal grandfather owned.



▲ Wendy, her parents Joe and Virginia, and her brother Gregg

We lived on eight acres about 10 minutes from the main farm. My childhood was idyllic in many ways: we canned vegetables, made our own ice cream, played with our cousins, took care of our chickens, did lots of farm related chores and spent Sunday mornings at St. Peter's Episcopal Church and Sunday afternoons with my grandparents and cousins.

From that childhood valuable life lessons were learned. With my parents' marriage, two hardworking entrepreneurial families came together. As a result, we were taught perseverance, how to work and how to problem solve. My dad gave us a spirit of adventure - he took us skiing, hiking, swimming, bought us a pony, and later, horses. He used to let me sit on his lap and drive his truck and as I look back, I realize that I was always driving something on the farm - tractors, cars, minibikes, lawn mowers, etc.

My brothers and I have taken all those life lessons into our adult lives. All three of my brothers live in Texas and are successful entrepreneurs with businesses and real estate interests. I of course took up flying.

That's a perfect segue to the next chapter of your life. Tell us how you got interested in flying and share with our readers your career as a pilot.

When I was in the 4th grade, my dad obtained his private pilot's license and bought a Cessna 150 aerobart plane; I would often go flying to spend time with him. I don't think he ever thought anything would come of it as I occasionally would get sick. I think the



▲ Air Force pilot training, T-38, Williams AFB

turning point was in high school when we rented a bigger Cessna to pick up some special fertilizer for our organic garden. The airplane was more stable, and he began to teach me navigation. Something about that experience really started my love of aviation. After that trip I can remember sitting in his big chair at home and reading his flying magazines, especially the stories about pilots overcoming a dangerous situation and landing safely.

In the summer of my senior year in high school I began flying lessons. I finished and soloed at the local airport – and even then, I think my father still didn't have any real sense of how serious I was. But I applied to a couple of aviation schools that I found out about in his magazines and after graduation I went to Daytona Beach to begin a flight tech program at Embry Riddle Aeronautical University. A year later I had my private license, my commercial-instrument license, and my certified flight instructor license. I was a motivated student! I then began working on my bachelors in aeronautical science at that same school, graduating in 1982. While in college I flight instructed and flew

with a friend whose uncle owned several airplanes – and in doing so, built up my flight time.

Upon graduation I thought I would join an airline commuter as a path to one of the big commercial airlines, but a family friend encouraged me to pursue becoming a pilot in the Air Force Reserves. A slot at the Charleston S.C. Airforce Base became available, and I jumped at it. I might have passed on that if an opening with a commuter airline had been offered but now, I can see God's leading in that opportunity.



▲ Lockheed C-141B Starlifter, USAF

Now with the Air Force, I trained on the T-37 and T-38 and the C-141 at bases in Arizona and Texas. Training on the T-38 included formation flying and aerobatics training. I would have gotten none of that if I had joined a commuter airline. After training I returned to the Charleston Air Force Base (still as a reservist) and began flying for the Military Airlift Command, eventually becoming an Aircraft Commander. I



▲ A stopover in Paris with her favorite co-pilot on an MD-11

was part of the 707th squadron and flew all over Europe, the Middle East, the Caribbean, South America and even a flight to Nairobi Africa. The men I flew with were amazing and provided me with the best flying of my career.

Upon leaving the military I flew for TWA for just over a year and then became a pilot with FedEx where I worked for the next 30 years. I flew the B-727, the DC-10 and finished my career as a wide body captain, flying the MD-11. I was forced to retire in 2017 due to a medical condition caused by a fuming incident. I loved my job, and it was very hard at 53 years old to stop flying jets. But God had other plans.

Congratulations on your career as a pilot. We're excited for our readers to hear about this next great chapter of your life as it is so full of purpose and intentionality.

Well, I will admit that it took me some time after my flying career was over to understand my need for purpose and intentionality. I tried a number of



▲ Wendy taking glider lessons in Tennessee

things but there was just something missing. And then, providence stepped in again. I had grown up skiing and one day I helped a neighbor's children sign up for skiing lessons. When I saw that a couple of the instructors were my age, I had the idea that maybe I could do something like that. I thought it would be fun to do it out west, so I applied to be a ski instructor at Snowbasin, one of the top ski resorts in the country – in Salt Lake City, Utah. I was accepted and it has literally changed my life these last three years. Not having my own children but now teaching children ages 4-12 to ski has been such an amazing experience – it has truly touched my heart. Teaching the kids is not only about teaching them how to ski – it's also about investing in the lives of these young

people that I'm spending 6 hours with each day. I try and engage my students and learn about their lives and their interests. As you often say at The Joseph Group, every life is telling a story and I feel like my role is to encourage them, ask questions that make them think and do a lot of listening. Working with my students is filling the part of me that loved flying so much. When I'm asked if I miss flying jets for a living, I always respond, "every day." But God has allowed me to find something else that fills me with joy and for that I'm very grateful.

In addition to teaching at the Snowbasin ski school, I also teach in the US Ski Team Kids Program. I love both but the latter has really stretched me to become a better skier, coach, instructor, and person. I've learned a lot about children and how they learn. And I've met lots of other great instructors and coaches, many my age or older.

This winter will be my third year out there. I still live in western New York state, 30 minutes from where I grew up. I head west to Utah in November, spend the winter there as an instructor,



▲ Wendy and family at youngest brother Chris' wedding



▲ Wendy's grandmother Del, her biggest fan

and then head back to my property in NY in late March/early April. Once home I spend lots of time with my 86-year-old father as my three brothers still live in Texas. I also spend time in Charlotte, NC where I have friends and family. It is at my home and in Charlotte where I relax with those I love, stay active in my church and Bible study, drink good coffee, do a lot of walking and enjoy a much less busy and much simpler lifestyle.

And my newest endeavor is life coaching, something I have also become very passionate about. I've made plenty of mistakes in life with many setbacks and failures. As a result, I've learned a lot about living. I am putting all of that to good use by becoming a certified life coach and have launched my own coaching business, Take Off Life Coaching. My mission is to help people get back on the runway of life so that they can truly take off and fly! As with my ski instructing, I'm learning that life coaching is all about being an active listener – asking lots of questions but not necessarily trying to provide answers. Often all people need is an opportunity to explore their own heart and let the Holy Spirit guide them – I

am simply His instrument through my questions and my listening. I especially find myself working with people in transition – which is a perfect fit for me given my own life experiences. I think my perfect day would be one skiing with someone and asking them questions – and helping them have those aha moments when they discover their deepest dreams and desires and

will continue to change versus a sense that you've finally arrived.

I would also really encourage people to work on their mobility and flexibility – two essentials to living a great life as we age. I discovered Classical Stretch, founded by Miranda Esmond White, a former ballet dancer and I follow her routines daily – it has been such a benefit to me.

I would also encourage people to spend time with people of all ages – especially young people. Learn from others by asking questions and not judging.

I think all of us should spend time actually helping others, not just writing a check to a charity or not for profit. I like to

helping others get more out of life.

Finally, I would encourage people entering their next great chapter to build a strong and deep relationship with God. I love the verse in the Bible that says, "Delight yourself in the Lord and He will give you the desires of your heart." (Psalm 37:4). I have found that verse to be so true in my life and I commend it to others.

Flying airplanes was my passion and I am so blessed to have been paid to do it. When I was forced to retire, it was like part of my heart fell asleep. But these new passions of ski instructing, and life coaching have become such incredible gifts to me and have given my heart a new opportunity to grow. I truly am loving my life right now.

Thank you, Wendy. We are so blessed to work with you and we are so inspired by the life you are now pursuing. May you continue to find great joy and great purpose in all of your endeavors. ▲



▲ New friends at Women on Wednesday ski class, Snowbasin Resort, UT

the purpose that will give them the greatest joy. And as a coach, I can then have follow-up sessions with them to support them in that journey of self-discovery.

Wendy, you're living a great life and we're so happy for you. As we bring this conversation to a close, what advice would you give others who are soon to enter or are already in retirement?

Well in hindsight, I would first encourage people to think of retirement as a course change and a transition not a destination. Some aspects of your life you will leave behind, but you will gain new aspects to your life that can provide much joy and fulfillment. Look at this new chapter as a time when life

watch old Doc Cassidy reruns from the early 2000's. He's a doctor from Montana who gets transplanted to New York City, and he ends each episode with an email back to a doctor in Montana who mentored him. In one show he wrote something to his mentor that I've always remembered, "we all want to know that we are part of something bigger than ourselves and that we have a greater purpose than ourselves." I think that is true and with my ski instructing and life coaching I get such fulfillment and enjoyment. And I know it's because I'm



▲ Coaching future ski team kids, Snowbasin Resort, UT

FALL WEALTH SUMMIT

In late November, we were excited to welcome Steve Lawson to our Fall Wealth Summit. A talented and passionate business and life coach, Steve has spent time immersing himself in monastic life to see what habits and disciplines allow monks to live with great peace while also being some of the most productive people in the world.

More than 100 clients and friends gathered at the Grange Audubon Center to hear Steve talk about the habits we can

bring into our own lives to help us live with contentment, joy, and peace.

Steve not only shared the wisdom and insights he's gained with our clients and guests at our Wealth Summit, but the next day he also met with a group of local CEOs and with our team.

Our thanks to everyone who joined us, and to presenting partners Stenger & Company and House of Hope.



Steve Lawson and Matt Palmer in conversation



A full house at the Grange Audubon Center



Steve Lawson, Angelique Kidd Smith, and Matt Palmer

LIVING WITH HOPE IN INCARCERATION

Again this year, The Joseph Group was privileged to introduce Kindway to clients and friends. Kindway, a local Christian ministry, runs a program called Embark, which works with incarcerated individuals to prepare them for life on the outside, including spiritual formation, emotional healing, and increased readiness to reenter society.

In July, a group of women visited the Ohio Reformatory for Women in Marysville, and in October, a group of men visited the Marion Correctional Institution. The people who go on these trips come away transformed. How do people incarcerated for years as a result of serious crimes live with such hope? In part because the Embark program focuses on the deep spiritual and emotional healing they need, and they know upon release they will be assisted every step of the way by people who love them.

We're already planning our 2024 trips. Watch for your invitation - we hope you'll join us.



THE ART OF CONSTRUCTING RELATIONSHIPS

BOYDEN RENOVATIONS

Boyden Renovations was founded in 2006 by brothers Damien and Dominic Boyden, their cousin John Boyden Jr., and lifelong friend Jon Markwood. The four had worked together for many years prior to forming their own business. They set out to differentiate themselves in an industry that is often transactional, by offering more than just excellent craftsmanship. They focused on the idea that relationships are key to bringing a client's vision to reality, to turning a house into a home.



2018, master carpenter Pat Wise joined the team full time and Annie (Boyden) Morris in 2021. Pat oversees framing and structural aspects of jobs, while Annie works as Client Services Coordinator and Design Consultant, using her gifts as an artist/designer to work with clients on design and material choices.

Their range of services include but are not limited to kitchens, baths, large-scale interior and exterior renovations, additions, and outdoor living spaces.

They provide a truly custom experience from start to finish.



Understanding and articulating a client's vision starts with understanding the client. The Boyden Renovations team invests

their time and talent into getting to know not just the home, but the family that lives there. Insight into how a family lives and uses their spaces is integral in translating the vision into a finished product that the client will enjoy for years to come and in which they feel at home.



This quote from their website says it well, "The relationships we build with our clients and our attention to detail are the cornerstones of our business."

This approach led to years of success and growth, and in



The Joseph Group team is proud to share with you the values with which the Boyden Renovations team approaches each client relationship. Please visit their website at boydenrenovations.com to view their portfolio, hear from their clients, and learn more about the way they love and serve others through their work. ▲

TEAM NEWS THROUGH THE YEAR

It has been a busy year here at The Joseph Group, and here we take you through year, sharing and celebrating new additions to our team and some well-deserved promotions. We also feature our most recent winners of The Joseph Palmer Values Award. This award is given each quarter to a team member who has demonstrated a high commitment to living out our company values of integrity, teamwork, humility, excellence, and enthusiasm. We're so happy to share all of this news with you!



Michelle O'Brien, Manager of Marketing & Communications was our Joseph Palmer Values Award winner for the first quarter of 2023. In nominating Michelle, one teammate said, "Michelle truly lives our core value of teamwork – she is always quick to jump in and help others in the firm when they need a quick turn around on something. She strives for excellence every day with all of the client communication duties she takes on."

Another teammate shared, "Michelle lives our value of enthusiasm. It would be easy in her role to not know our clients, but especially through the events she oversees, she makes it a point to know who they are and cares just as much as if she was their advisor."

In June, we welcomed **Jake Lindaberry** as Investment Analyst and a member of our Investment Team. Jake's duties will focus on investment research and analysis while also helping to enhance overall investment operations. He will also serve as the first point of contact in our due diligence work with mutual fund companies.

Partner, CEO and Chief Investment Officer Travis Upton shared, "We are blessed to have Jake on our team. He brings a real passion for investment excellence and since joining us earlier this year is already making significant contributions."

Jake received a BS in Finance from Cedarville University. Growing up in southern New Jersey, Jake is an avid Philadelphia sports fan. He enjoys the outdoors, cooking, and reading theology. He is also studying for the CFA Exam.



Jodi Picetti, Manager of Client Services, was our Joseph Palmer Values Award winner for the second quarter.

One nominator shared, "Jodi's excellence in leading our Client Service Team has enhanced the excellence of this team. She lives our core values every day, is a foundational part of client service here at the firm, and is a great leader and a great teammate."

One of our advisors shared that "Jodi's leadership of our Client Service Team helps ensure that our clients' account service requests are completed in a timely and high-quality manner – and always with our firm's personal touch. She's a great leader and a true rock star at our firm!"

We also welcomed **Alex Jenney** to our team in June as Client Service Representative. In this role Alex supports our financial advisors and clients in carrying out a wide range of account maintenance and servicing requests.

Jodi Picetti, Manager of Client Services, shared, "Alex is a wonderful addition to our team. He has a real focus on teamwork and accountability and puts our clients first. We're excited for our clients to get to know him!"

Originally from Johnstown, OH, Alex graduated earlier this year from Mount Nazarene University with a bachelor's degree in finance and a minor in financial planning. He and his fiancée Ashley are planning a summer 2024 wedding. Alex was a college athlete at MNU and continues to be active in sports – both as a fan and a participant.



TEAM NEWS THROUGH THE YEAR



In June we also welcomed **Ryan Kuhn** as a Wealth Advisory Associate. Ryan works closely with our advisors to assist in the preparation, presentation, and implementation of client financial plans.

Partner and Chief Wealth Planning Officer Todd Walter shared, "Ryan loves people and is passionate about our mission of helping our clients and our team live great lives. We are so thankful to have him on our team!"

Like Alex, Ryan graduated earlier this year from Mount Vernon Nazarene University with a bachelor's degree in finance and a minor in financial planning. He and his wife, Bethany, live in Mount Vernon and are active members of Newark Church of the Nazarene. His favorite pastimes are spending time with his wife, golfing, catching up with friends, and eating good food.

In August, **Angie Eversole** was promoted to Senior Client Service Specialist. While continuing to oversee onboarding of new clients, Angie also will provide training and mentoring to new team members joining us as Client Service Representatives.

"Since joining The Joseph group in early 2020, Angie has become a go-to for our clients and team," shared Jodi Picetti, Manager of Client Services. "Angie cares deeply, models an unwavering commitment to our clients, and is a true mentor to our team. She exemplifies each of our values."



Our third quarter Joseph Palmer Values Award winner was new Client Service Representative **Alex Jenney**.

In nominating Alex, one teammate shared, "If there is one person this quarter who has really transformed the team, it has been Alex. His responsiveness and follow-through have been impeccable, fast, and professional. I'm so grateful to have Alex on the team and for the positive impact he's having on the rest of the firm."

Another shared, "While trust must be earned, the way in which Alex conducts himself and his work has enabled all of us who interact with him to be trusting from the get-go. He has completely owned his role and serves with a joyful heart. He is responsive to our clients and really gives a whole new meaning to excellence!"

This fall, **Nick Boyden** was promoted to Client Advisor and Team Lead. In this new role, Nick will continue to serve as lead advisor for a group of our clients while also providing leadership for one of our advisor teams, helping that team fulfill our mission to our clients while exemplifying our core values. He also will help monitor advisor capacity, develop new client relationships, mentor our wealth advisory associates and assist in overall team building.

In speaking of Nick, Todd Walter, Partner and Chief Wealth Planning Officer shared, "Nick is an outstanding Client Advisor and the epitome of a high character leader. We are so grateful to have him on our team and are excited to see him serving our clients, our team, and our firm in this enhanced leadership role."



Theresa LeChard was also promoted this fall to Senior Wealth Advisory Associate. While continuing her associate advisory duties, Theresa will take on special projects to further enhance service operational excellence while also pursuing additional skills on her path to becoming a Client Advisor.

Dave Suchland, Client Advisor and Team Lead shared, "Theresa exemplifies a passionate commitment to our mission and values in virtually everything she does. We are so grateful for all that she does for our team and our clients and look forward to even greater contributions from her in the years ahead."

THE INVESTMENT LANDSCAPE HAS CHANGED



Travis Upton, CFA, FRM, CAIA
Partner, CEO and Chief Wealth
Planning Officer



Alex Durbin, CFA
Portfolio Manager

Investment nerds believe Howard Marks is a rock star. Marks, an author, investor, and current Chairman of Oaktree Capital Management is a deep value investor known for his profound insights into markets. In his recent visits to Columbus, Marks holds the records for the 1st and 2nd most well attended events in Chartered Financial Analyst Society of Columbus history.

I (Travis) had the opportunity to introduce Marks during one of those events and talking with him and sharing the stage was truly an honor.

Our Investment Strategy Team believe Marks' letters are "must reads" and recently, Alex led TJG's Investment Committee in a big picture strategy discussion based on what Marks calls "**a sweeping alteration of the investment environment calling for significant capital reallocation.**" Using Marks' thoughts as inspiration, let's look back, look forward, and discuss what lies ahead for investors.

WHERE HAVE WE BEEN?



▲ Source: Strategas Research Partners

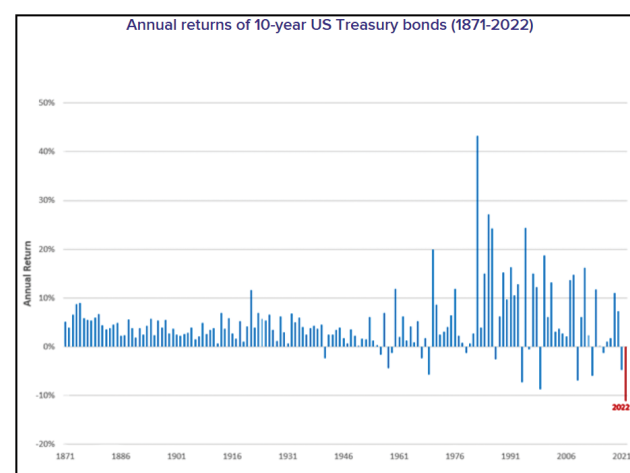
Since 1945, interest rates have seen two secular cycles – a rising cycle from 1945 to 1981, and a falling cycle from 1981 to 2020. Few investors today have experience prior to 1981 (Travis was 5) and most have only known a secular decline in interest rates.

It's also important to note the different regimes in interest rates saw different returns for stocks. As shown in the chart, during the 36 years when rates were rising, the S&P 500 had an annualized return of 5.7%, but in the declining rate environment, the S&P 500's annualized return was more than double at 11.8%.

In late 2008, the Fed took short-term interest rates to zero for the first time ever, seeking to rescue the economy from the Global Financial Crisis. As a result, the most popular girl on Wall Street became TINA...an acronym meaning There Is No Alternative to stocks. In other words, *in an environment of historically low interest rates, stocks look relatively more attractive, thus pushing stock valuations higher and inflating stock market returns.*

WHERE ARE WE NOW?

The low interest rate era ended in 2021 as COVID relief efforts combined with supply chain struggles pushed up inflation. As a result, the Fed ended its zero-interest policy and increased interest rates at the fastest pace since 1980. With rates rising dramatically from historically low levels, the teeter-totter-like relationship between interest rates and bond prices meant bonds had their worst year in history in 2022 (the chart below goes back to the 1800's), with the Bloomberg Aggregate Bond Index down over -13%.



▲ Source: etftrends.com

Investors in other asset classes weren't spared in 2022 as virtually every asset class, including large U.S. stocks (S&P 500 -18%) and technology stocks (NASDAQ -33%), experienced negative returns.

Today, as markets bounce back from 2022's historic negative, TINA's "sister" TARA is the new acronym on Wall Street. With bonds and cash once again paying interest as rates have moved up There Are Alternatives to stocks in the marketplace.

WHERE ARE WE GOING?

Howard Marks once compared the impact of the 40-year interest rate decline on stock investing to a moving walkway at the airport. *"If you stand still, you'll move effortlessly; but, if you walk at your normal pace, you'll move ahead rapidly – perhaps without being fully conscious of why. In fact, if everyone's walking on the moving walkway, doing so can easily go unnoted, and walkers may conclude that their rapid progress is 'normal.'"* In other words, (referencing the first chart) the difference between the 11.8% annualized return for the S&P 500 in the declining rate environment and the 5.7% annualized return in the rising rate environment could be attributed to the "moving walkway" of declining rates. If rates are no longer declining, will growth in the stock market move as fast?

The Joseph Group Investment Strategy Team discussed some of the potential impacts if declining or ultra-low interest rates are not the norm in the years ahead:

- Economic growth may slow as higher costs for borrowing makes some projects too expensive
- Higher interest costs may be a drag on profit margins for companies who relying on borrowing
- Leveraged investments (think: private equity) are unlikely to be as successful when the cost of borrowing is higher

All of this sounds like bad news, and while it certainly could dampen enthusiasm for the stock market, we have good news! Quoting Marks: *"thanks to the changes over the last year and a half, investors today can get stock-like returns from investments in credit."*

If the term, "investments in credit" sounds familiar it should – "Credit," a fancy term for high yield, or junk bonds, is one of the key asset classes we allocate to within objective-based portfolios we have the privilege of managing for clients.

The chart below looks at the "yield" or income rate for the



mainstream high yield bond index over the last decade. We added the green line and circle for emphasis. Over the last decade, the rate on high yield bonds, or Credit, has only exceeded its current level of 8.3% on two brief occasions: in 2015 in the midst of collapsing oil prices and during the initial COVID panic. Other than those occasions, high yield income rates were as low as 4% and averaged about 5.5%.

With a high yield index rate of 8.3% and other Credit investments paying even more, the changes in the market over the last year and a half mean investors have the ability to potentially achieve stock-like returns from investments in credit.

THE FUTURE INVESTMENT LANDSCAPE AND OBJECTIVE-BASED PORTFOLIOS

So, what should investors think about the changed investment landscape? We believe there are two key takeaways:

- *The future allocation of diversified investment portfolios may look different than it has in the past.* Investors have become accustomed to thinking of U.S. stocks as playing the "offense" role in portfolios and bonds as the "defense." Looking forward, it may make sense for balanced portfolios to look more...balanced. With High Quality Bonds paying over 5% and Credit paying over 8% investors can earn attractive returns without depending on a rising stock market.
- *It may make sense to use higher future return assumptions in financial projections.* When we work with a client to make a future financial projection, we generally want to start with a conservative baseline. If an investor's future returns come in higher than projected, they are likely to be pleased. On the other hand, returns which come in worse than expected set the stage for disappointment.

When constructing financial plans, we like to use a range for return estimates, and in recent years, a conservative starting point, depending on the investor, has been 4%. Looking forward, with the caveat every client situation is different, it may make sense to use a higher return as the "new conservative starting point" in order to reflect the higher income environment.

The Joseph Group investment process is built on a chassis we refer to as "objective-based" portfolios. A key implication is we are seeking to build portfolios to achieve a long-term result, not adhere to a fixed allocation.

The "sweeping alteration of the investment environment" may call for a strategic shift in investment allocations. As we seek to use planning and portfolios as tools to help clients live out their purpose, a clear focus on achieving objectives means we are ready to position client portfolios for success in the environment ahead. ▲

CORE PORTFOLIO ALLOCATIONS

AS OF SEPTEMBER 30, 2023

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:

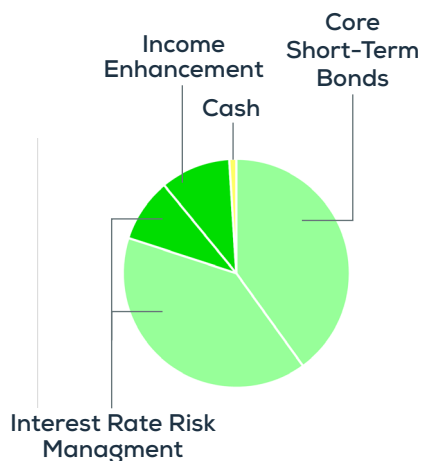
40% High quality, low cost index

Interest Rate Risk Mgmt:

49% Ultra short diversified

Income Enhancement:

10% Securitized credit



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:

30% Corporate, TIPS

Credit:

19% High yield

Global Stocks:

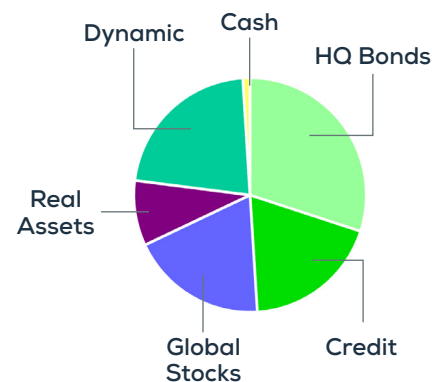
19% Blue chip dividends

Real Assets:

9% REITs, commodities

Dynamic:

22% 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:

20% Corporate, TIPS

Credit:

11% High yield

Global Stocks:

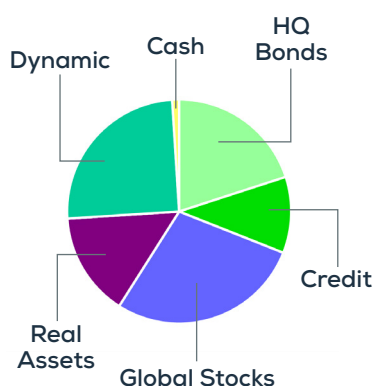
28% Growth and dividends

Real Assets:

15% REITs, commodities

Dynamic:

25% Tactical, hedged stocks



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:

1% Liquidity

Global Index:

21% Low cost index

Active Global:

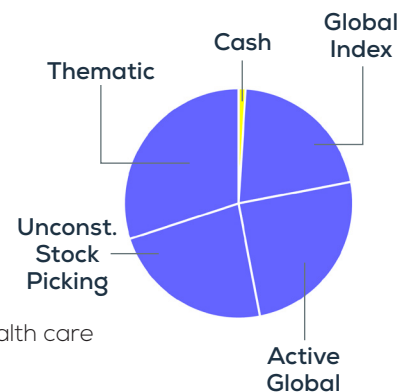
25% Growth, value, small

Unconst. Stock Picking:

23% Value tilt

Thematic:

30% Emerging markets, health care



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

WHAT ALL DO I HAVE TO GIVE?

This year, The Joseph Group advisors have been discussing how we can best help our clients with their charitable giving goals. From a financial perspective, we have many technical planning tools at our disposal, and we are blessed through our partnerships with several wonderful community Foundations here in Columbus. Our Joseph Group advisors are fully equipped to carry out our clients' financial charitable giving strategies. But giving is much bigger than our finances. Have you ever stopped to ask yourself "what all do I have to give?"

Time, Talent, and Treasure.

These are the biggest assets we have in this world, and we can give them all. As financial advisors we spend much of our time focused on the Treasure component as we help our clients give their financial resources to the people and causes that matter most to them, but what does giving the other two look like?

TIME – We only have so much time. Pre-retirees dream of all the time they will have in retirement and retirees will tell you time goes too fast! No matter the stage of life we are in, we feel there's no time to give. We may just need to adjust how we view giving our time; giving time doesn't necessarily need to be to a nonprofit organization. It could be giving your time to your family. Just ask any of our clients who watch their grandchildren – there's no better time spent; it's exhausting, but so rewarding. It could also be giving your time to your work. What if you saw purpose in the work you do? Wouldn't that be giving? Sure, you

are receiving a paycheck, but if time is our most valuable resource, and you are giving that resource to your work, you ARE giving your time to those who need you. At The Joseph Group, our team chooses to give their time to our mission of helping people live a great life. We are blessed they choose to GIVE their time in this way.

TALENT – We all bring something to the table. We have past experiences and gifts that can be used by others. Sure, there are unlimited opportunities to serve in ways that help a person or organization, but what can only you do? How are you uniquely gifted? What experiences can you leverage to help others? That's where your talent lies and where you can best serve others.



▲ Joseph Group Team Members Kim Kline & Alex Jenney

The Joseph Group team recently spent an afternoon serving at The Mid-Ohio Food Collective. It was a fun day enjoying camaraderie and teamwork. Did we use our talents? Probably not! Did we give our time? Absolutely. And it was so worth it.

So how do we help clients give of their time, talent, and treasure? Encouragement! As we meet and assess personal and financial goals,

SAVVY CFP



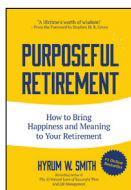
Todd Walter, CFP®, CPA; Partner and Chief Wealth Planning Officer

inevitably these resources find their way into the discussion. We love these conversations! The people we work with are incredible. It's easy to see all they have to offer to a world who needs them.

I recently met with a good friend who retired a couple years ago from a successful career. He's living a great life and traveling to see friends and family all over the world. I asked him if anything was missing, and he said without family near he was lacking a greater purpose. He was feeling a calling to serve others using not only his treasure, but also his time and talent. A couple weeks later he shared with me how a door opened for him to serve with an organization that means a lot to him. After our initial conversation, his eyes were open, and he was looking for an opportunity – funny how that works. He will soon be using all three of his big resources to serve others. Now that's a generous life! ▲

Note: There is no guarantee that portfolio objectives or volatility targets will be met.

FROM THE BOOKSHELF



Purposeful Retirement by Hyrum W. Smith

As one of the original creators of the popular Franklin Day Planner and former Chairman and CEO of Franklin Covey Co., Hyrum W. Smith empowered people to effectively govern their personal and professional lives. In ***Purposeful Retirement***, Hyrum combines wit and enthusiasm with compelling principles that inspire lasting personal change. He encourages you to discover your true passion and try new possibilities.

Aging well and a happy retirement. You have had a successful career by almost all measures and now you are concerned about aging well and looking toward a happy retirement. You are definitely not a couch potato.

- How are you going to create a retirement that is meaningful and inspiring?
- Can you simplify life?
- Is there a way to make intelligent and anxiety free retirement planning choices?
- Can you learn from the lives and experiences of people who have found their pathway to happy retirement?
- What are their secrets to a happy retirement?

Learn how you can move from your world of work, simplify life, and enter what can be the most satisfying phase of your life a new world of purposeful retirement.



THE JOSEPH GROUP

CAPITAL MANAGEMENT

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Important disclosures can be found at josephgroup.com/custody-and-policy

As of December 31, 2022, the total assets we had under management and consulted on was \$783,510,000. Of that total, The Joseph Group's total discretionary Regulatory Assets Under Management were \$684,407,000 (RAUM) and the remaining \$99,103,000 of assets were comprised of group retirement plan assets for which we consult.

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