

The importance of planning

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goals you are highly likely to realize while managing risk and developing an investment portfolio that brings these goals to life.

4. **Manage & monitor:** We will implement the appropriate portfolio mix across your investment accounts (household) to focus on diversification, risk management, lower costs and tax minimization. We will also:

- Continuously rebalance to capture gains from market volatility and keep risk allocation where you want it.
- Update the Wealthcare Plan as goals, assets or priorities change making it a great tool for analyzing two of clients' biggest questions: 1) "What if ...?" and 2) "Will it be enough?"
- Provide Quarterly Status Reports through our Online Client Portal (see Online Client Portal article) that will reveal if your plan is over- or under-funded, allowing you to avoid both excess risk and unnecessary sacrifice. As long as you remain in your desired Comfort Zone®, you will continue following a path toward achieving your dreams.

5. **Continuing advice:** This Wealthcare Plan maps every economic shift and life change, so you will always be aware of where you stand relative to your goals. But it is just one of the tools in the tool box. Part of our job is to help ensure your plan stays on track through investment monitoring and training you on best financial behaviors for the long term. Another part of our job is to help you make the right decisions and the trade-offs that are uniquely best for you if your plan is not on track.

Ultimately, our goal is to provide solutions for you that help you live your best life, accomplish what's most important to you and ensure that your wealth is managed in the most efficient manor when it comes to costs, taxes and risk.

So what's next? Are you excited? We are! For those of you who have already established your Wealthcare Plan, be expecting your first Quarterly Status Report by the end of October and a letter from us introducing this new report and information on how to get the most out of it. For those of you that haven't yet created a Wealthcare Plan, call the office and let's get started!

– Sarah Moravec

Contact Us

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In The News

New online client portal



your new client portal you will be able to:

- **SECURELY send sensitive documents** to us, such as tax returns, social security statements, estate planning documents, non-JSWF financial statements, insurance information, etc.
- **Access & download your Quarterly Status Reports** once your Wealthcare Plan is complete. You can see how any changes you've requested and the latest market movements have impacted your **Comfort Zone®** and performance. You will receive an email from us each quarter when a new report is available.
- **Securely access and store your Wealthcare Plans and Status Reports** using the Wealthcare Plan Archive. This

Our new Client Portal has arrived! As we work through your new Wealthcare Plan, we will be setting up your unique username and password. With access to

also allows you to come back and access your plans from any device, at any time.

We have developed a few great resources on the News & Resources tab of our website, www.joelwilliams.com, to help get you started. There are step-by-step guides and videos at your fingertips, or we will be happy to walk you through the set-up process; either in our office or through a video conference and show you how to do it on your own computer at home!

The following resources are available on our website, www.joelwilliams.com, on the News & Resource tab:

- Creating a password for the Client Portal (guide or video)
- Accessing & downloading your Status Report (guide or video)
- How to get the most from my Status Report (video)

We know the Client Portal will be a useful tool as we continue to provide premier service to our clients.

– Andrew Cialek

JSW Financial featuring local artists

First featured artist: Patricia Bevan

As a local business, JSW Financial has appreciated the support of the community over the years and we want to give back by supporting our local artists. Starting soon, we will be displaying the works of local artists in our office. If you or someone you know would be interested in participating, please email us at team@joelwilliams.com.

The first local artist we will feature is Patricia Bevan of Blacksburg. Pat is a visual artist, equestrian, and certified trainer with the International Center for Nonviolent Communication. For her, all these endeavors are art — a creative process and experience, suffused with

new insights and learning, that result in a unique personal expression.

She works in a variety of media, but dry pastel is her favorite. Pat's work has been exhibited and has received awards in regional, national, and international exhibitions.

We are grateful to Pat for allowing us the honor to display her works. Please do come by and experience Pat's inspiring view on the local landscapes. You can also see more of her work at www.patriciabevan.com.

– Beth Ashe

Year-end deadlines



IRS rules require everyone who will be 70.5 or older by December 31, 2015, to take a Required Minimum Distribution (RMD) annually from your IRA. The IRS can impose a 50% penalty for not taking out the calculated RMD amount. If you have not satisfied your RMD for this year, please contact us.

The end of the year also marks deadlines for Roth IRA conversions and charitable gifts. These need to be in our office by December 18th to ensure processing by year-end.

The importance of planning

How the Wealthcare Plan enhances the JSW Financial investment process

So how do you go about making your dreams and wishes come true? You make a plan. Our planning process involves every aspect of your financial life, and more. It is based on the idea that you cannot get the most value out of your money without first knowing what purpose(s) your money serves. Defining a purpose for your wealth helps develop a clear picture of your goals and what can be accomplished. Once that is understood, it is a lot easier to find the discipline to redirect expenditures and make sacrifices to meet those goals.

Our approach to holistic, goal-based planning will help you understand how financial decisions you make affect other areas of your life. By viewing each financial decision as part of a whole, you can consider its short and long-term effects on your life goals. You can also adapt more easily to life changes and feel more secure that your goals are on track.

In the beginning, we investigate all areas of your financial health: cash flow, debts, estate planning (wills, POA, etc.), insurance needs, employee benefits, college savings, and so on. We will also coordinate with other business professionals, if necessary (CPA, attorneys, etc.), to develop a comprehensive strategic plan.

One piece of our overall service to you is development of a unique Wealthcare Plan that helps make your goals a reality by connecting your investments to your aspirational dreams and priorities. Since this tool is new to many of you, let's take a look at how we'll use it:



Simplify! Set up an automatic Required Minimum Distribution to occur at the same time every year. Contact Andrew today!

Wealthcare Letter

Wealthcare Capital has moved their physical office and will be sending a letter to all clients notifying them of this address change. No response or action is necessary.

1. Understand your goals, and priorities. Together, we will focus on your most important life goals, such as paying off debt, starting a new business, preparing for early retirement, philanthropic giving, paying for college or funding travel dreams. We will help you set priorities, ideal and acceptable outcomes for different life scenarios and choices that help define your unique risk preference.
2. Stress test & develop trade-off scenarios so that we can focus on solutions that meet the goals you value more than others. Here, the Wealthcare Plan begins to come alive. Using our advanced Monte Carlo engine, we will run your ideal and acceptable goals through a 1,000 lifetime simulation, testing different scenarios to determine the probability of achieving your stated objectives. For example, the simulation would analyze a 30-year plan against 30,000 different market scenarios — from depression to exuberance — to see how well you achieve your goals in every conceivable market environment.
3. Present recommendation of goals & investment strategy that will confidently exceed those things that are important to you. Using the results from our life simulator, we will work with you to adjust your balance between ideal and acceptable goals. Together, we will fine-tune the objectives until finding your **ComfortZone**®: a set of personal, important
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Santa Claus The bear is coming!

Seriously, I am more excited about the bear (a market correction) finally getting here, than if Santa Claus were coming. True, like the man (not spirit) Santa Claus and his reindeer, I quit believing bear markets were bad for us over 34 years ago as I began my career as an investment professional.

Let's look at the definition of a bear market:

- A drop in the market from its peak to bottom of more than 20%. I expect this one to be 30% or a little more, possibly putting the Dow Jones around 12,000. This is because we have had the longest expansion of the market in history, since March 9, 2009.
- The average drop is 36% (excluding 1929) and the average recovery is 1.3 years (excluding '73 and '07-09). I exclude those because the oil embargo of '73 was not general economy phenomenon; and the '29 and '08 were once in a lifetime events...so we have had our allocation as working adults. The millennials will likely experience their time in the barrel sometime in the future.

A bear market is a healthy part of an increasing market. It cleans out inefficiencies in the market, government policy and a whole host of neglected maintenances. Think of it as an oil change or tune-up for your car. You hate to put out money for it, and taking the time to do it with your busy schedule is a nuisance, yet it's necessary to keep the car working properly. How many of you let the 3,000 mile oil change slip to a 5-6,000 mile oil change? This market was due an oil change since 2012. So look patiently at the turmoil around the market. And understand that your investments will run better two years from now if we use proper management and are patient. (The Wealthcare strategy absolutely allows me to do this better than any system I have ever experienced. See the 3% continuous rebalancing discussion.)

In my opinion, we have passed the end of the cyclical bull market we have been in since 2009, and are starting a bear market. However, I do not think this is the total market collapse that many market doomsayers predict. The data does not support that forecast at this time. I expect a healthy traditional bear market of which we will benefit as we remain in our specified allocations between fixed income (bonds) and equity (stocks) asset classes.

What I know:

- Wealthcare's system looks out 1-5 years; the data suggests lower risk for the next three years.
- The market has increased over 100% since 3/9/09: over 20% annually; a reversion to the mean is inevitable. (The current long-term average (mean) performance is 9.4%.)
- We guarantee a loss of our purchasing power by having money in cash. In fixed income (bonds), we get the highest returns, currently around 2%.
- Any money to be spent in the next 24 months needs to be in cash or a predictable income stream from invested assets.

- Finally, our greatest gains in the stock market are in the down markets. This is done by two techniques we use: 1) dollar cost averaging (regular monthly investments) and 2) micro-rebalancing of asset classes - (3%) in small increments.

This is a counter-balance to our negative behaviors of investing: we now buy stocks in a falling market, and sell stocks in a rising market. Something the strong emotion of fear does not allow us to do consistently.

Once again, you may call me a cheerleader or optimist, but the truth is outlined above. Yes, we have some very choppy waters ahead of us; something I have written about over the past year. I am excited the time has finally arrived so that we can begin getting the healthy market correction behind us.

Our portfolios are positioned for this type of scenario. In our upcoming reviews of the third quarter, we will discuss any previous desires to be more aggressive than for which your plan calls.

My excitement comes from watching the movement within your portfolios the last two months. I am very impressed with Wealthcare's research department and their investment processes that are integrated into their planning process for which they have received twelve patents.

Don't waste a good bear market! As a contrarian, it feels almost like Christmas!

Markets

September 25, 2015

DOW | 16,314.67

Nasdaq | 4,686.50

S&P 500 | 1,931.34

Until next time,
Joel