



James River

Wealth Advisors™



INVESTMENTS

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Our Values.

- To treat each client as they want to be treated.
- To give back to our community.
- To live by the principles of our faith.

Our Actions.

- Every client now receives a complimentary financial plan.
- We act on a model of service: to our clients, to our community, and to each other.

Exciting New Client Portal: CircleBlack

at James River Wealth Advisors

We are upgrading our client engagement experience with secure, easy access to your portfolios, quarterly reports, TD Ameritrade monthly statements, annual reviews, and other communications. The portal is updated nightly for the most recent market information. Regulatory guidelines require James River Asset Management to disseminate quarterly portfolio reports by "custody" segments. Currently, you receive at least three separate quarterly reports by mail or email for TD Ameritrade portfolios, American Funds Portfolios, and annuities. When you sign up for our new portal, you grant us permission to deliver the reports electronically to your secure portal, eliminating multiple disparate reports. The second

advantage is the ability to store your Trusts, Wills, and other pertinent financial planning information in your secure VAULT on the same site. Thirdly, your annual, semi-annual, and quarterly reviews will be posted within the portal for immediate access and historical reference. If you would like to take advantage of this opportunity, please contact either Chuck Clement at cclement@jrwealth.com or Fletcher Allen at fallen@jrwealth.com. We handle all the set-up and service here in the James River Wealth Advisors office.



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How do people become wealthy?

In my seven years of financial planning conversations and working with individuals at the tail end of life, I have seen two common themes that correlate with becoming wealthy or at least financially confident: 1) living within your means and 2) getting sound financial advice. One without the other will not produce the outcomes that are possible.

How do investors decide what to do with their wealth?

By creating wealth, you create optionality. Through that optionality, a good financial advisor will help unlock what is truly meaningful to you and help you allocate your wealth in the ways that are most important to you.

How does financial planning help create wealth?

Financial planning is a powerful tool for gaining clarity and understanding your current trajectory and where pitfalls currently lie. Small, smart choices, applied consistently over a long period of time, can lead to financial success. The value of financial advice is that it helps you know what small, smart decisions you need to make. This, combined with the discipline of consistent savings and living within your means, gives you room to build capital that can be leveraged for your financial well-being throughout your entire life.

Where can I start learning the principles of wealth?

A fun book to read that was written about 90 years ago is a book called *The Richest Man in Babylon*. It's a fun short read and a good one for young adults as well (I recommend the updated English version). The basic principles of wealth are found in this book, and if you adhere to the simplest of principles, you will find tremendous progress toward establishing your financial well-being.

Investing for All the Seasons of Your Life

When you make financial decisions during a time of transition, it's tempting to "wing it." Maybe you charge the family vacation to a credit card, withdraw savings for summer camp, or liquidate a mutual fund for home remodeling.

But how will these decisions affect your finances? You worry about working your whole life with nothing to show for it.

We know the feeling. We, too, want a secure future for ourselves and our families, and we believe a person who works hard all their life should be able to accumulate enough money for a comfortable lifestyle.

Here at James River Wealth Advisors, we use a six-step, comprehensive, individualized financial planning system to meet your short- and long-term goals.

Step One: Forecast Life Milestones

First, we connect with you to build a relationship and foundation of trust beyond just figures and bottom lines.

Forecasting involves more than just retirement and college tuition. You may want to start a business, buy a vacation home, or help children get a start in life.

You may be concerned about job stability, changes in the business climate, or the health of a loved one. Forecasting potential changes in cash flows and expenses, both planned and unexpected, will help to optimize cash utilization and interest. Modeling best and worst-case scenarios will ensure that, even in turbulent times, you will have enough liquidity to preserve your lifestyle and a plan to maximize your assets moving forward.

As you forecast, do not avoid problematic areas of concern. You will do better if you address them all.

Step Two: Adjust Time Horizons

Second, we have a series of conversations to explore and identify your needs and goals.

When a specific need is far in the future, long-term gains may be your priority. But for financial necessities that are just ahead, liquidity is critical, so you do not have to liquidate assets during a downturn or face fees and penalties for early withdrawals.

The earlier you anticipate your needs, the greater your chances of protecting your wealth even as you spend for predetermined purposes.

It's important to categorize your financial goals by time horizon: liquidity—your short-term needs to maintain your lifestyle; longevity—your lifetime goals (retirement, children's college); and legacy—where your assets go after your lifetime. Each of these categories requires a different strategy and approach to optimizing the returns on your assets.

Step Three: Customize Asset Allocation

Third, we build a plan, alongside you, to bridge the gap between where you are now and where you want to be.

Once we forecast your life milestones and time horizons, you have a basis for making investment decisions.

Greater returns on investments necessitate a greater risk assumed. It's not unusual for a stock to gyrate 30% within a single year, whether up or down. Higher volatility is dangerous to liquidity in the short run as the odds of having to sell an asset when it's down are much higher. CD's, bonds, and U.S. Treasury bills, while more limited in their growth (around 1-3%), are much more stable and safer investment options in the short-term. These options are preferred for rapidly approaching milestones as they allow for greater liquidity.

Stock funds, such as ETFs and mutual funds, are more aggressive than bonds and CDs but less risky than individual stocks as their returns are averaged over the diversified portfolio. Stock funds can vary as much as 30%, up or down, within a given year. So while they demonstrate greater growth, it's still much safer to hold these assets over a few years, making these vehicles fit for achieving medium- to long-term financial goals, such as income for an extended period, say for retirement.

Despite their volatility in the short-term, stocks have a strong record over longer periods. Growth stocks are considered the riskiest assets in the market due to their vulnerability to speculation. But some have been among the best performers over time. Individual stocks carry the most risk but will achieve higher growth, with volatility smoothing out if the asset is held for an extended time, making these investments perfect for reaching lifetime financial goals, such as college someday for young children or grandchildren.

Step Four: Executing Your Plan

We invest and manage your assets in a transparent manner that takes the stress off you.

Your comprehensive financial plan focuses on all three time-horizons—liquidity, longevity, and legacy. Without a plan, you risk making decisions on a whim without considering all three, usually sacrificing one or more financial goals.

Step Five: Seeking Advice

Step five is to guarantee strong communication by agreeing with you on the best frequency and method for communication, reviews, and updates to ensure that your financial plans are stable and adaptive to changes.

If you feel like you may be "winging it," we invite you to schedule a planning session with us. We're guided by the Golden Rule: we treat every client the way we want to be treated. We will walk with you through every stage of your financial life, adjusting plans and strategies as your circumstances change.

Step Six: Reviewing Your Progress

Our process is a cycle with no endpoint, so we are continually growing and building with you to achieve all

A Game of Multiples from the Sevens Report

from Sevens Report Research | sevensreport.com

To achieve financial wellness, it's critical that you understand various market drivers and their potential directions. You'll always be better off when you can model and forecast different market events and lines of growth, recovery, or depression alongside your financial planner. You can gain confidence and peace of mind by recognizing the factors that affect the economy. And when you anticipate the possible risks, best/worst-case scenarios, and various combinations of events, new insights may lead to an adjustment in your financial plan that leaves you better prepared for tomorrow. When it comes to the economy and your financial wellbeing, ignorance is never bliss!

Market Influence	Current Situation	Things Get Better If...	Things Get Worse If...
Coronavirus/COVID Vaccine	COVID cases have peaked and are declining while the pace of vaccination has accelerated from December.	The JNJ vaccine gets approved on 2/26 and by early March the vaccination pace is 1.5MM people per day.	The vaccination pace does not increase, or a COVID variant renders the vaccine ineffective.
U.S. Economic Recovery	Economic data remained solid throughout January, and while there's been some loss of momentum, the economic recovery is continuing.	More states reopen their economies and we see the "high-frequency" economic data begin to trend higher.	Vaccinations and/or a new COVID strain result in a reimposition of lockdowns, while the expected return to economic "normal" gets delayed.
Stimulus/Spending Expectations	Democrats are expected to pass a \$1.5-\$1.9 trillion stimulus bill in mid March.	The stimulus bill comes sooner than expected (early March) and is near the upper end of the range (\$1.9 trillion).	Democrat in-fighting erupts and the passage of the bill gets delayed towards April/May.
10 Year Treasury Yield	Yields have risen to near-one-year highs on rising inflation expectations and looming stimulus.	The rise in Treasury yields remains gradual, with the 10 year drifting higher over the coming months.	Plans for massive new stimulus spook markets and Treasury yields rise rapidly.
Fed Policy	The Fed is committed to 0% rates and \$120 billion per month in QE until the pandemic is over.	The Fed extends the maturities of QE purchases to help keep the rise in the 10-year yield orderly.	Sometime in late Q1/early Q2 the Fed begins to discuss tapering or reducing QE.
Expected 2021 S&P 500 EPS	\$205	\$210	\$195
Multiple	19.5X-20.5X	21X-22X	18X-19X
S&P 500 Range	3,998-4,202	4,410-4,620	3,510-3,705
S&P 500 Target (Midpoint)	4100	4515	3607
Change from today	5.0%	16%	-7.0%

your financial goals in the most comfortable and productive manner possible. This comprehensive, individualized process is one of the many reasons James River Wealth Advisors excel at satisfying and surpassing client goals.

Planning Your Financial Future

Your dreams are what drive you. What drives us is helping you finance those dreams through timeless financial advice.

You cannot control everything, but you can control your financial choices. With planning, you can make better choices and face today and tomorrow with greater confidence.

How a Financial Plan Made All the Difference for a Family

When people "wing it," they often choose financial strategies that only work if everything goes perfectly and nothing bad ever happens.

But one painful lesson we all learned in 2020 was that life changes fast. Those who were caught unprepared faced severe hardships.

Kristin Carleton, co-director of financial planning and investments, recalls one specific case in which creating a financial plan made all the difference for a family:

"One client was a young family with two children getting close to college age. They were struggling with the feeling of being 'poor' - all of their money was going towards 529 savings plans, life insurance, disability, and their mortgage. They had two small credit cards they had taken out to pay for medical expenses. We helped them take the cash value of their life insurance to pay off the credit cards, looked at their budget and found a few other ways to cut expenses, put together a plan for when to reduce their life insurance, and showed them that they were on track to reach their retirement goals. Their outlook transformed so completely that they cut expenses in a few other ways, paid off their entire mortgage, and are debt-free!"

Kristin also warned of the general risks of not having a financial plan. In the short-term, you could find yourself unprepared for unexpected events that ultimately prevent you from reaching your financial goals (ex: being disabled and unable to work and not having disability insurance). Even if you think you are taking all the right steps, you may be missing one or two steps. In the long-term, missing these steps may prevent you from optimizing your assets (ex: saving 10% of your salary but investing too conservatively and not being able to replace all of your income when you retire because you lose purchasing power).

Disclosure: Past performance does not guarantee future results. Indices are unmanaged and do not incur fees, one cannot directly invest in an index.



10 of the Funniest Names for Investments

Ticker	Fund
BOSS	Global X Founder-Run Companies ETF
FAN	The First Trust Global Wind Energy ETF
MOO	VanEck Vectors Agribusiness ETF
TAN	Invesco Solar ETF
PAWZ	ProShares Pet Care ETF

Ticker	Fund
PBJ	Invesco Dynamic Food & Beverage ETF
OLD	The Long-Term Care ETF
DIVA	AGFiQ Hedged Dividend Income Fund
IHAK	iShares Cybersecurity and Tech ETF
GAMR	Wedbush ETFMG Video Game Tech ETF

Please let us know what you think about some of these newest efforts to keep our clients informed and connected, we would love to have your feedback! You can share your thoughts to our new dedicated email for clients customerappreciation@jrwealth.com

Upcoming Events

- **Market Update Calls Schedule 2021.** You can mark your calendar now for the following monthly Thursdays at 12:30 pm: February 18, March 18, April 15, May 20, June 17, July 15, August 19, September 16, October 21, November 18, and December 16.

Announcements

- **Our Annual Client Survey will be distributed in February and we are looking for your feedback.** Thanks to you, we've been able to give back to our local and global communities. For each client who participates in one of our focus groups, surveys, or other client understanding and satisfaction tools, we donate one meal or one Bible to an organization that distributes those items locally and worldwide. We call it "food for the body" and "food for the soul"! As a result of your participation in 2020, a total of 4,352 meals and 18 bibles were donated.

- **We welcome Luke Swygard to the JRWA Team.** As you may remember, Luke worked at JRWA previously, so we welcome him back.

My name is Luke Swygard, and I am excited to be returning to James River Wealth Advisors. I believe with great conviction that life is a gift best opened with others. My focus is on helping our clients cultivate a comprehensive financial plan that equips them with clarity and confidence to lead more meaningful and wholehearted lives.



I have more than 12 years of experience in commercial and personal finance, seven years of experience in financial planning and wealth management, and five years of experience in Business Development and Portfolio Management in Asset Based Lending. Prior to the finance industry, I worked as a project manager and sales representative for one of the largest homebuilders in the country. My diverse background has equipped me with a knowledge and experience base that grants me an ability to relate and connect with others while providing sound advice and counsel. The fuel to my engine is helping others achieve more in life than they believed possible.

I am blessed to have two boys who attend Veritas School. They are avid basketball players, through which I live vicariously. Most weekends, you can find me near a basketball court or in the driveway with these amazing young men. My wife of nearly two decades is the heart of the family as well as the glue. She brings the joy of life into each day and inspires her three men to be more and do more for God.

We are actively involved in our local church, staying busy most evenings and weekends with basketball and other sports. I love reading and talking about God's Word and often read multiple books simultaneously with never enough time to finish them. I want to thank you for taking the time to learn a little about me. Please know I would love to return the favor and get to know you. I look forward to meeting you soon!



- **We also welcome Lauren Hansen as an Intern.** She is a senior at the University of Richmond and pursuing a BS, with a double major in Economics and Philosophy, Politics, Economics, and Law (PPEL).

My name is Lauren Hansen, and I am a spring intern at James River Wealth Advisors. My role is to support James River's overall operations. I will also work to continue developing and promoting Eli's Village.

Outside the office, I am on the University of Richmond's women's soccer team. I also enjoy reading and discovering new restaurants in Richmond.

Helping exceptional families and business owners make wise decisions since 1982

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