

Waller
Financial
Planning
Group

Spring 2020

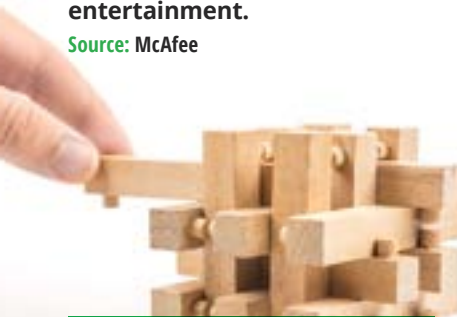
Legacy Press

LIFESTYLE & LEGACY CHOICES BY DESIGNSM

Fact: \$35,000

That's the average value consumers worldwide place on digital assets stored on their mobile devices, like photos, videos, and entertainment.

Source: McAfee



"We must meet the challenge rather than wish it were not before us."

William J. Brennan, Jr.,
Former Associate Justice
of the U.S. Supreme Court



Keeping Perspective

By Charlie Kerwood, CFP®, ChFC®, AEP®

I think it's safe to say that we are all currently trying to figure out how to survive a pandemic. We are surrounded by news that is filled with uncertainty. Should we be wearing masks in public? When will test kits be available? Who, what, when and how are all questions that cannot be answered right now.

Why wouldn't we be extremely scared and cautious? It is truly justifiable.

We certainly are not medical professionals. This is not our expertise, and we wouldn't imply that we know all the answers.

We are living in an uncomfortable time surrounded by uncertainty; however, this is not the first time markets have been disrupted by a crisis: oil crisis, a housing crisis, a tech bubble, 9/11 and wars. But, no matter what the event turns out to be, it is uncomfortable seeing the markets take drastic swings. During these times, it is important that we remain calm, and not let emotion cloud our judgment.

Waller Financial prides itself on helping our clients develop long-term portfolios that can weather any storm. Every client has been through the tedious process of gathering information about income, expenses and goals. We know the process of gathering all this information is not enjoyable. But,

there is a purpose to all of this; it helps us determine time frames of when you will spend money. Whether it's a home improvement, car purchase, big vacation or any other expenditure, these are built into the plan. If these expenditures are anticipated in the next 1-5 years, none of these funds are invested in the market. This is why these topics are discussed during each review meeting. We are looking out for your best interest and recognize the important role we play in your life.

Waller Financial has been in business for over 40 years. We intend to be here for many more years to help advise our clients reach their personal goals and objectives, in both good times and bad.

The bottom line is that we will get through this turbulent time. We are tough, we are innovative, and we have your financial plan mapped out. The important thing now is to stay healthy and safe, and follow the advice of our health care professionals and political leaders.

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Maintaining Business Continuity Amid Uncertainty



By Jason Farris, CFP®, CAP®

The well-being of the families we serve, as well as our staff and their families is of the utmost importance. Given the developing situation regarding the COVID-19 (coronavirus) outbreak, please know that we remain open and available. While we remain open, we have made adjustments in how we will be conducting business in the near term.

We will not be holding any in-person meetings in either of our office locations through April 30th. This date will be re-evaluated and adjusted as necessary. Even though we are eliminating in-person meetings, we will be available for virtual meetings, conference calls or possibly FaceTime. Please let our staff know your preference when scheduling your meeting. In the event our Ohio office does not remain open we are prepared to have all staff members work remotely. In fact, a large portion of our staff is already working remotely.

Our Florida office will be closed for the near term. If the need should arise where you need to drop off documents in-person, we ask you contact our Columbus office to discuss other alternatives.

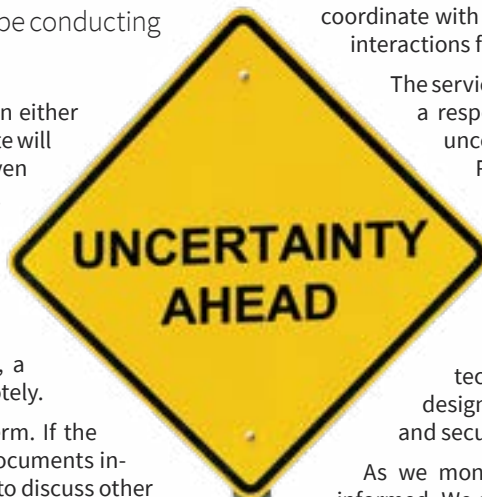
We are taking special precautions to make sure our staff is healthy and protected while in the office. The offices are routinely disinfected

and our team is able to maintain social and physical distancing due to the office configuration. In the event you need to drop off documents, our Ohio office remains open. We ask you to contact our office first to coordinate with our team on most effective strategy to minimize any interactions for the health and safety for everyone.

The services we provide clients are imperative, as such; we have a responsibility to ensure operations can continue during uncertain times. For nearly 15 years, Waller Financial Planning Group has maintained a written business continuity plan. Our business continuity plan is constantly revised and tested.

In accordance with our business continuity plan, we have the complete ability to work securely from remote locations without any disruptions in our ability to perform our duties. Waller Financial's technology, phones, trading platform and files are designed to ensure our services can continue uninterrupted and securely.

As we monitor this situation, we will keep you updated and informed. We appreciate the trust and confidence you have placed in us. Please know Waller Financial is in position to remain open and available during these unprecedented times. Please do not hesitate to let us know if there is anything you need. Stay healthy and stay safe.





2020 1st Quarter Market Report

By Jason Eliason, CFP®, ChFC®, CFA®

We hope this letter finds you healthy and safe. The COVID-19 pandemic has caused us to face unprecedented challenges that we previously could not have imagined. Our thoughts and prayers go out to everyone, especially those that have been directly impacted by the virus as well as the people on the frontlines managing it.

A lot has changed in the last six weeks. At the end of January, we were in the longest running bull market in our history, and looking at a global economic situation that was stabilizing. The U.S – China trade war was making progress, and it appeared the United Kingdom’s exit from the Eurozone was finally worked out. And then, a global pandemic changed everything. Large portions of the economy are shut down, and millions of people are suddenly unemployed. Everyone is impacted by this. While this financial downturn is daunting, the situation is even more chilling because the real problem is a health crisis.

We mentioned in our year-end 2019 quarterly letter that we did not believe a recession was looming, but we maintained a cautious investment outlook nevertheless. It is pretty clear now that we are going to see a recession. The COVID-19 pandemic completely overwhelmed markets, resulting in one of the worst quarters for investing ever. Stocks dropped faster than

ever before. For the quarter, domestic stocks were down 20% to 30%, while foreign stocks were down about 23%. Fortunately, aggregate bonds produced a positive return of a bit more than 3%, while foreign bonds were up 2%. We were also fortunate that markets rallied about 15% off of the bottom in just 4 trading days near the end of the quarter.

We are quite pleased with how quickly the Federal Reserve Bank (Fed) took action. They took both broad and deep measures to reassure markets, introduce liquidity and add stability during a time of unfettered selling. By historic measures, Congress also acted very quickly to get emergency fiscal stimulus packages passed. They passed 3 bills during the month of March to aid in combatting the economic fallout from closing down large parts of the economy. The first bill provided stimulus of a little over 8 billion dollars, followed by another bill that is projected to top 100 billion dollars of support. The third bill was a massive 2.2 trillion dollar aid package, focused on providing direct support to individual taxpayers, businesses, and state and local governments.

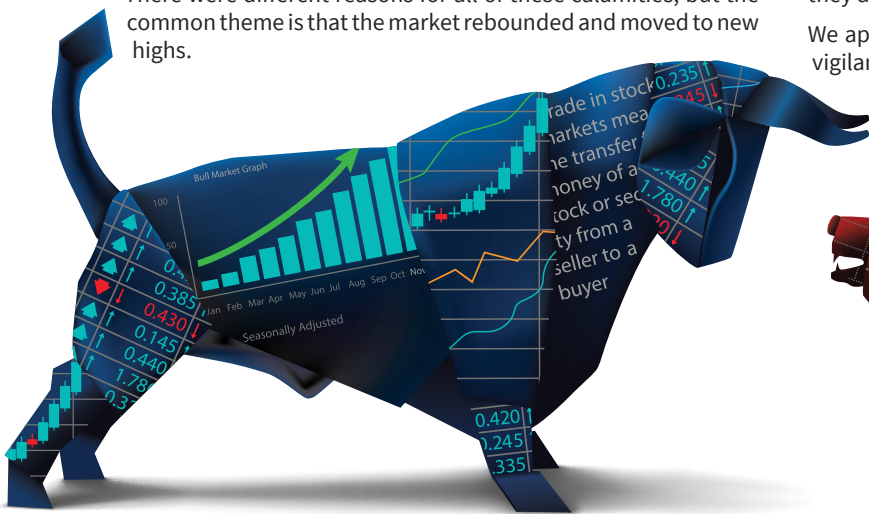
While the actions taken by Congress and the Fed will not stave off a recession, they will be beneficial in reducing the depth and length of the recession. At this time, our expectations are for a sharp, but short recession. It is highly likely that the unemployment figures will exceed those of the Great Depression, but we will not experience that type of economic fallout.



Since Waller Financial's founding in 1985, we have seen some major bear markets, which are drops of 20% or more. In 1987, the market drop was 31%. In 2000 – 2002, the market dropped 33%. In the 2008-2009 Great Recession, the market dropped about 50%. In those three instances, and all the bear markets that have come before, the market rebounded and moved to new highs. In 1987, the recovery took 2 years, while the 2000-2002 and the 2008-2009 recoveries took about 4 years. In the last 40 years, we have seen 12 market corrections, 8 bear markets, and 5 recessions. There were different reasons for all of these calamities, but the common theme is that the market rebounded and moved to new highs.

Successful investing is having a sound strategy and the discipline to adhere to it. During these types of volatile markets, it is normal to feel overwhelmed and uncertain; however, we cannot allow emotion to dictate investment decisions. We cannot say with any certainty how low the market will go, but taking action for the sake of “just doing something” is wrong. Instead, we are concentrating on things that we can control: asset allocation, portfolio rebalancing, tax-loss harvesting, interpreting tax law changes, implementing actionable plans, and buying stocks as they decline in value.

We appreciate the faith and trust you have placed in us. We will remain vigilant in our responsibility to help you achieve your desired Lifestyle and Legacy. We are always here to discuss the markets, your portfolio, your financial plan, or any other thoughts or concerns you have.



Originally published on April 1st

The opinions voiced in this letter are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. The economic forecasts set forth in this printing may not develop as predicted and there can be no guarantee that strategies promoted will be successful. Stock investing involves risks, including loss of principal. Bond values will decline as interest rates rise and bonds are subject to availability and changes in price. There is no guarantee that a diversified portfolio will enhance overall return or outperform a non-diversified portfolio. Diversification does not protect against market risk.



¹ Morningstar Office: Large Cap U.S. stocks as measured by the S&P 500 Index, Medium Cap U.S. stocks as measured by the S&P Mid Cap Index and Small Cap U.S. stocks by the Russell 2000 Index. Foreign stocks as measured by the MSCI EAFE ND Index and the Emerging market stocks measured by the MSCI EM ND Index. Fixed Income/Bonds as measured by the Barclays U.S. Aggregate Bond Index, Barclays Municipal Index, and the Citi World Government Bond Index. Real estate as measured by the Dow Jones U.S. Select REIT Index. Commodities as measured by the Bloomberg Commodity Index. Inflation as measured by the U.S. BLS Consumer Price Index All Urban SA 1982-1984.



What The CARES Act Means For You

By Jason Eliason, CFP®, ChFC®, CFA®

On March 27, Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in response to the COVID-19 global pandemic.

The bill is a \$2+ Trillion dollar fiscal stimulus package that was designed to help ease the significant economic damage this disease has caused. The bill, being almost 900 pages long, has too many aspects to explain appropriately in this format, so we are going to highlight the major components of the bill that may be more significant to households.

What's in the CARES Act?

- Financial Assistance for Corporations, States, and Municipalities
- Financial Assistance for Small Businesses
- Tax Incentives
- Direct Payments to People
- Unemployment Benefit Expansion
- Aid to Health Care Professionals and Hospitals

Key Provisions of the CARES Act Directed Toward Households

Direct Payments to People



- Payments of up to \$1,200 per adult and \$500 per dependent under age 17
- AGI threshold amounts of \$150,000 for married filing jointly and \$75,000 for other filers
- Payments will be issued based on 2018 or 2019 income tax return, if filed
- The money is actually a tax credit against 2020 income.
- If you are income phased out based on your 2018 or 2019 income tax return, but qualify based on your 2020 income, you will receive the funds when you file your 2020 income tax return

Retirement Account Changes



- RMDs are suspended for 2020
- Individuals under 59.5 impacted by Coronavirus can take distributions of up to \$100,000 from IRAs and employer-sponsored retirement plans without the 10% early withdrawal penalty
- Distributions are not subject to mandatory income tax withholdings
- Distributions are eligible to be repaid over 3 years
- Income tax consequences of distributions can be spread over 3 years
- Retirement plan loan limit increase to \$100,000 from \$50,000 with loan repayments delayed for one year

Small Business Assistance



- Loan available for payroll, rent and utilities that potentially could be forgiven [Paycheck Protection Program (PPP)]
- Payroll tax credit for business not receiving PPP loans
- Employers can defer the payment of payroll taxes
- Net operating loss rules are loosened

Healthcare



- Medicare beneficiaries will be able to receive the COVID-19 vaccine (when available) at no cost
- Medicare D recipients can request up to a 90 day supply of prescribed medications
- The definition of qualified medical expenses for the purposes of HSAs, MDSa, and FSAs, is expanded to include over-the-counter medications.

Unemployment Expansion



- Unemployment benefits are immediately available
- Regular Unemployment benefits are increased by \$600 per week
- Unemployment benefits are extended 13 additional weeks
- Self-employed individuals are eligible for up to 39 weeks of unemployment

Other Provisions



- New \$300 above the line income tax deduction for charitable gifts
- The AGI Limit of 60% for cash charitable contributions has been increase to 100% for 2020
- Federal student loan payments are deferred until September 30
- Employers can provide up to \$5,250 in student loan payments tax-free to the employee

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

News & Notes

How are we adjusting to the stay-at-home order?

Not sure where they find the time, but Jason Eliason and Scott Rendle welcomed a new fur member to the family.



The Kincaid household is adjusting just fine. Car rides may be for the dog now, the kids broke a guitar, and Maddie celebrated her 13th birthday with family driving by with signs.

