

Financial Planning Principles

When choosing a financial advisor, sharing a common set of principles and beliefs is critical to a successful relationship. As such, below are our financial planning principles for your review.

To Be Successful, You Must Have a Plan: Just like you don't get into your car without a destination and an approximate route to get there in mind, financial planning is much the same. To be successful, we must first define what success means—that is the identification of your life's purpose and the goals associated with that purpose. Then we can craft a financial strategy specifically designed to pursue those objectives.

We Are Planning Focused: Many firms are either primarily insurance or investment focused, whereas we are planning-focused. This is because we know that decisions made in one area will impact many others. Thus, we constantly keep your complete financial life in mind to ensure proper alignment between each of your life's goals.

Financial Planning Is Not Precise; It Is Adaptive: We know that the world (markets, economy) and our personal lives (income, health, family) are ever-changing. A plan that sits on a shelf couldn't possibly account for all that life will throw at you, so we meet regularly to adjust your plan as needed to reflect the current reality.

We Control the Things We Can Control: We will not pretend to know which way the market will go next as there are no facts about the future. We believe in controlling what we can control. That is, the amount we save, how long we give our savings to grow, our asset allocation, our behavior, and how we plan for various risks. These are what will ultimately determine your success.

Prepare for What Can Go Wrong; Invest for What Can Go Right: Even the absolute best investment portfolio can be undone if you are not prepared for life's what-ifs. A few examples might include an unexpected death, health issues, accidents, lawsuits, or becoming disabled. Planning for and insuring against these risks is what allows us to invest for all that can go right. We cannot control what happens to us, so it is imperative that we are prepared for each of these possibilities.

Good Planning Has a Long Time Horizon: We view every client relationship as a lifelong partnership. This is a significant advantage because our single objective is to provide advice that will (hopefully) result in the accomplishment of your multi-decade goals and we expect to walk with you every step of the way.

We Follow Our Own Advice: As the steward of many of our clients' complete financial lives, we believe that we should plan for our own financial lives by using these same financial planning principles. So, that's exactly what we do.

We sincerely hope that through our collaborative approach and principles-based planning philosophy, you will feel encouraged to pursue what is most meaningful to you.

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Investing Principles

KEFAUVER

Financial Planning & Wealth Management

When choosing a financial advisor, sharing a common set of principles and beliefs is critical to a successful relationship. As such, below are our investing principles for your review.

Purpose → Plan → Portfolio: Before establishing a portfolio, the initial focus of our conversations will be to understand your purpose (and goals) for investing. Next, we will develop a financial plan that will then guide the development of a portfolio in pursuit of your purpose with each of the following principles in mind.

Investing Principles:

We Align Your Investments with Your Time Horizon: We believe that owning a diversified portfolio of long-term investments (equities) for your long-term objectives and short-term investments (cash, bonds) for short-term objectives will offer the highest probability of achieving your goals. This alignment of investments may seem simple, but it is critical to investing success through all market environments.

We Expect Volatility: We should expect bear markets as they have historically occurred about once every 3-4 years. Despite these events, over the last 65 years, the market (as represented by the S&P 500) has grown by almost 100X, excluding dividends. The only thing that was required of investors to earn that return was simply to stay invested.

We Stay the Course: Given the performance noted above, it's clear that investing success is much more about time in the market than timing the market (i.e., the best portfolio in the world will not work if you can't stick with it.) As such, we do not chase performance or fads, nor do we react to the latest market catastrophe as those actions invariably introduce new, unnecessary risks to your financial plan. If your portfolio is aligned with your goals and time horizon, there should be few causes for change regardless of the news or fads of the moment.

We Prepare, We Don't Predict: Because we expect bear markets (we just don't know the timing of them), we purposefully prepare both mentally and financially for whatever may come next through relevant ongoing communication and easy-to-understand financial strategies so you can feel comfortable standing by your plan during stressful times.

We Manage and Minimize Expenses: We believe that a diversified portfolio of low-cost funds and ETFs will serve you best in the long run. Additionally, taxes and transaction costs can cause a significant drag on performance, so we seek to minimize these expenses wherever prudent and possible.

We Follow Our Own Advice - As the steward of many of our clients' complete financial lives, we believe that the entirety of our own investable net worth should be invested in accordance with these same investing principles. So, that's exactly what we do.

We sincerely hope that through our collaborative planning and principles-based investing philosophy, you will feel encouraged to tune out the media and enjoy life a little more.

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