



Armor Investment Advisors, LLC

AN INTRODUCTION

I thought it appropriate to use this forum to introduce myself, and then I promise not to talk too much about myself in the future. I am the newest member of the Armor team. I'm a career-long investment management professional and by the time you read this, I will have been officially named the Chief Investment Officer of Armor Investment Advisors.

Jeff isn't going anywhere anytime soon. He'll still be working in the office directly next to mine. We have planned this transition for quite some time to allow Jeff to take a reduced role in the day-to-day investment operations and to instead spend more time on the areas of investment management that he enjoys the most, and possibly to play a few more rounds of golf!

As for me, I live in Apex with my wife and three children. I spend most weekends either on the sidelines of my boys' soccer games or playing Barbie Dreamhouse with my five-year old daughter. Occasionally, I get to take a break and watch my beloved Colorado Buffaloes play college football. They typically lose but I remain a faithful alumnus, nonetheless.

After graduating from The University of Colorado in 2000, I started my investment career at T. Rowe Price in my hometown of Baltimore, Maryland. My job was to answer the phones and provide callers with real-time stock quotes.

Believe it or not, back then one had to pay for an allotment of updated stock quotes. My how things have changed! Online investing was a relatively new thing at the time, and it brought a lot of new investors to the markets. They didn't know it then, but this was the beginning of a bear market that would last for more than two years and shave nearly 50% off the value of the stock market.

This time period would bring an end to the high-margin buy-anything day-trading strategy that had worked well for so many novice day-traders during the dot.com boom of the late nineties. Looking back, cutting my teeth in the midst of a bear market had a real effect on my investment philosophy.

Little did I know it wasn't the only time I would endure a 50% drop in the stock market. An even bigger problem was coming. A few years later, I was investing on behalf of clients of one of the largest financial institutions in the country when the world experienced the great financial crisis. I have no problem admitting that I was not someone who foresaw the severity of the problems manifesting for years that ultimately metastasized through our financial system and brought about a near collapse of our capital markets.

I've since heard many claim to have seen it all coming who I suspect actually did not. Regardless, at that time I was also pursuing an MBA at Goizueta Business School at Emory University. That MBA turned into a study of the financial crisis as well as the governing dynamics of economics and investment management. I place great value on both the real-world and formal education that I received at that time. My passion for studying the enormity and inter-connectedness of our global economy continues today.

The economy would recover, and the markets would go on to enjoy the longest bull market run in the history of our country, ending at the onset of the Covid-19 pandemic in 2020. And then it would recover yet again...



By Adam J. Morgan, CFA, CMT

So, looking back, there are many lessons learned that now shape my investment belief system. First and foremost, I believe in managing risk. Simply put, I'm a worry-er. Inevitably, there will be another market-jilting crisis or problem that few of us see coming, and things can move quickly, so we need to invest accordingly. We should not wait for periods of heightened volatility to plan for heightened volatility.

We will diversify investment across investment types, geographies, sectors and industries because different asset classes behave differently during different stages of an economic business cycle. We can then tactically overweight or underweight our exposure to those asset classes when it makes sense.

At the same time, throughout my entire career, it was always a good time to have a bias toward high-quality stocks. Stocks of companies that are shaping our economy and generating increasing amounts of free cash flow tend to provide more reliable returns that outpace the negative impact of inflation over time. Investing in companies with strong balance sheets and consistent earnings is a principle that seems easy to remember but is somehow forgotten or ignored by many.

At Armor, this is nothing new. In fact, as I was writing this, I was handed a copy of one of Armor's quarterly commentaries written over fifteen years ago by Walt Sheffield. "We believe that it is possible to reduce risk (volatility) in an investment portfolio by diversifying among asset classes that tend to rise and fall at different times. We also believe that we can do this without sacrificing long term investment performance." Exactly! I look forward to continuing the tradition of sound investing started by our founders almost two decades ago.

On a personal note, I am honored to be a part of the Armor team and serve as the steward, watchdog, and chief worry-er over the investment portfolios that you've entrusted with us. It is a responsibility that I take seriously. I look forward to meeting with each of you personally to discuss our investment strategy in further detail. Please know that if you have any questions or concerns, my door is always open.



CONTINUITY

It seems like just yesterday that I was the young guy joining Walt and Jeff to create Armor Investment Advisors as the firm we know today. Now, I am the 'older' guy building out a team of exceptional younger professionals. Walt has retired from the firm and Jeff is taking early steps in that direction.

I want to take a moment to point out how unique and special this transition is. We often see firms unable to successfully move to the second generation of ownership by professionals. Too often a founding principal works into his or her seventies before planning for a transition and then fades away or gets 'rolled up' into a national firm. This 'plan' does not serve clients well.

When we started Armor, our objective was to build a multi-generational firm serving multi-generational families. This commitment has driven us to operate differently than many of our sister firms. We hire great professionals who share our commitment to client service and provide them with a clear and achievable path to become owners of the firm. Our belief is that owners have a longer time horizon and focus on serving clients better for longer as opposed to just serving more clients now. Adam fits our mold as someone who we believe is an



By John V. Purrington, CFP®

A+ talent who is committed to taking care of our clients and growing the firm for the long term. He makes Armor a better firm and we are thrilled to have him on the team.

We remain in the building where we have been since 2012 but have recently moved to larger offices on the second floor. This move will support our growth as we continue to add team members and enhance the services that we provide to clients.

While I am still a decade away from slowing down myself, I am excited and proud that we are building out what I see as a phenomenal team which will continue to serve our clients (including my family) for decades to come.



ARMOR HAPPENINGS



Armor Gives Back Join us this quarter for our Armor Volunteer Day as we head back to the Food Bank of Central and Eastern North Carolina to assist with sorting and packing produce and dry foods on Friday, February 11, 2022.

We extend an invitation for all to join us, as well as welcome any suggestions for volunteer initiatives you are passionate about.

Reach out to Allison at amiller@armorinvestmentadvisors.com with suggestions for future events, requests to participate, or if you would like to donate towards this cause.



FROM THE CROW'S NEST... CHANGE IS GOOD

Change is a simple fact of life. Whether we accept it or not is irrelevant – it is how we accept it that matters. Armor Investment Advisors is experiencing much change and I believe it is all for the better. We continue to grow and have moved and expanded our offices to accommodate this growth. The appointment of Adam Morgan as our new Chief Investment Officer is a welcome part of our changing world. As we have grown, our people and technology have been updated to manage an expanding clientele. One of our key business principles has always been that if you take care of the client the business will take care of itself. That focus will not change.

I have experienced much change in a long business career and at times it can appear overwhelming. In all cases it proved challenging, yet also represented an opportunity to grow as a person. Change forces us to re-establish our world view and avoid rust formed by a lack of inertia.

My evolving role with the firm means I will be able to concentrate on matters of a more strategic nature, while focusing on a shorter list of clients and supporting Adam in his new role. I also look forward to engaging in projects which have been much deferred. Adam has some great ideas which we look forward to pursuing for the benefit of our clients.



By Jeffrey R. Miller, CFA®

Part of the change for me means I am not retiring but am looking forward to more time for activities which people do when they actually retire. I enjoy what I do at Armor and will continue to do so for as long as I have my health and a clear mind. It is said that the concept of retirement has been redefined and many choose to keep working as our health and lifespans (hopefully not our waistlines) keep expanding.

This my plan. I will continue to manage investments – this is my greatest intellectual challenge. I will spend more time in a gym, swimming pool, or on a hiking trail. I have a brother (retired) who wants me to work on a much-neglected golf game. I will be more focused on family, especially my wife, and an aging father who takes a licking and keeps on ticking as he approaches 94.

What I won't do is just hang around and tell our people how to do their jobs. They are very capable and that deserves to be respected.

So, there you have it. I will continue to write a second, shorter but hopefully humorous commentary on current affairs while Adam takes over prime responsibility for the main article. I have only advised him to try and inject a little humor into it as I have always sought to do. That makes it more interesting and fun to read.

My final word is to have a Happy New Year! We are all tired of pandemic pandemonium, but this will end. Our lives have all have been changed these past two years - that is a simple fact of life.



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