



APRIL 2024

Q1 2024 OUTLOOK



Photo: SJS Scottsdale, Arizona Office

STANDING ON THE SHOULDERS OF GIANTS

By Chief Investment Officer Tom Kelly, CFA

When he founded SJS in 1995, Scott J. Savage set out to provide a major money center management experience while maintaining small town values and putting the client first, all the time, every time. A novel idea back then in a world where the stockbroker business model was (and still is) embedded with conflicts of interest. There had to be a better way, to sit on the same side of the table as our clients and align our interests. It is this founding "first principle" from which everything else flows. And still to this day it allows us to filter everything we do through that same lens. For example, when working with investment managers, we want them to share that same client-first philosophy and sit on the same side of the table with us.

Stone Ridge Asset Management, one of the investment managers we work with, shares similar first principles. Stone Ridge aims to provide investors with access to diversifying investment strategies (such as reinsurance and alternative lending) that have low correlations to global stocks and bonds.¹ Many of these investment

INSIDE THIS ISSUE

Standing On The Shoulders Of Giants	1
Protecting Your Personal Information & Financial Assets	3
Our Family Has Grown By Four Feet!	4
Looking Forward To Q2 2024	5

strategies have been historically difficult to access for most investors.

The search for investment strategies that perform differently from global stocks and bonds led us to Stone Ridge, but what kept us interested was their alignment with their clients and partners. Stone Ridge founder Ross Stevens studied at the University of Chicago under famed professor Eugene Fama, who won the Nobel Prize in Economic Sciences in 2013. The name Fama may sound familiar, as his market efficiency work has influenced MarketPlus® Investing. However, Stevens believes that Fama's greater contribution is his work on the principal-agent problem. At many companies, ownership and day-to-day management are mostly separate. This can lead to each side having different information as well as contrasting motivations. As a result, decisions are often made by both ownership and management that are not best for the various stakeholders.

Stone Ridge seeks to minimize the principal-agent problem through partnering with industry leaders, sharing risk directly alongside them (gains and losses), and collaborating using proprietary data and evaluation techniques. Additionally, Stone Ridge employees invest in the various investment strategies, paying full fees like clients do.

In our first meeting with Stevens several years ago, he spoke about Stone Ridge's culture. He shared insights on the investment strategies, like reinsurance, where they are one of the largest capital providers to reinsurance companies and partnering with them through risk-sharing – sitting on the same side of the table.² He then recounted the origin story of Stone Ridge, which is named after the small town in upstate New York that he holds special – all this from his office overlooking Wall Street. Talk about a major money center experience with small town values!



The longest-tenured SJS Team members (from bottom left counter-clockwise): Scott J. Savage (28 years), Kevin Kelly (24 years), Meredith Sleet (24 years), Jeff Yost (22 years).

PROTECTING YOUR PERSONAL INFORMATION & FINANCIAL ASSETS

While the returns of your investment portfolio are important, so are your personal information and assets. With technology advancements in recent years, protecting your information is becoming as important as ever. We have been updating our practices and policies to ensure that your information and assets remain secure. We also want to emphasize some best practices that can help us work together to ensure your information and assets remain safe:

- **Multi-Factor Authentication:** When logging into various websites and programs, having at least one additional login layer - such as a pin number, email, text message, and / or authentication app - can significantly decrease the chances of your data getting compromised. In light of this, we recently made the decision to require multi-factor authentication for all MySJS Portals. While this adds an extra step for people logging in to their MySJS Portals, we believe this will help protect sensitive client information.
- **Sharing Information Securely:** Simply sending an email with sensitive information is one of the easiest ways for hackers to access your data. Other ways to share your information more securely include using a trusted document-sharing portal (such as your MySJS Portal), password-protecting the relevant file, encrypting the email, and (old-school) mailing the relevant documents.
- **Skeptical Of Requests For Sensitive Information:** Scammers are coming up with increasingly clever ways to ask for your information, such as sending convincing emails as well as phone calls pretending to be someone else (today, scammers can call from a phone number that you think is legitimate as well as use a voice software to sound like someone else). At SJS, our general rule of thumb is that all requests for information are illegitimate until proven otherwise. Additionally, when we receive a one-off email to withdraw money from your account, SJS requires you to call us to provide verbal authorization for the withdrawal request.
- **Storing Your Personal Information In Safe Places:** For both physical and digital information, it is important to store your personal information in safe places, and to only share this information with people you trust. For example, you can use a password-protected file, a secure online password storage service, or a safe-deposit box kept in a hidden location. We recently ordered waterproof and fire-resistant envelopes that people can store their documents in - if you would like one, please let us know.
- **Avoid Public Computers & Wi-Fi:** Public computers and Wi-Fi are relatively easy ways that hackers can access your personal information. Using personal Wi-Fi hotspots from your phone can limit the need to use public computers and Wi-Fi.
- **When In Doubt, Meet In-Person:** Even with all of the different technologies and ways to communicate with each other, many times the best way to get work done both effectively and securely is in-person. Our favorite parts of our days are meeting with our clients face-to-face.

As always, we are here to help, and we are glad to meet with you to discuss how you can better keep your information secure!

OUR FAMILY HAS GROWN BY FOUR FEET!

Community is one of our Words of the Year at SJS. Our team members, individually and collectively, strive to put our communities first.

In this spirit, we recently donated to The Ability Center to support their Assistance Dog program. As detailed on their website, The Ability Center works to make our community the most disability friendly in the nation by increasing independence for people with disabilities, discovering true passions, and changing the community's perception of disability.

One of their services is the Assistance Dog training program, which helps individuals

with disabilities achieve greater independence by training and placing service and skilled companion dogs to aid with the individual's daily needs. The Ability Center has also placed over 30 school facility dogs as well.

The SJS Team took on the task of naming one of the puppies. Jennifer Smiljanich, Managing Director in our Scottsdale office, submitted the winning name, Lira. Our Team also had the fun opportunity to meet Lira and her siblings.

The Ability Center is doing fantastic work serving our community. If you would like to learn more about The Ability Center, you can visit abilitycenter.org.



Katie Floyd and Katie Cristofoli overrun by active pups.



Ryan Walter taking one for the team.

LOOKING FORWARD TO Q2 2024

As we enter the second quarter of 2024, we want to highlight a few dates and events to keep in mind:

- **Monday, April 15th:** 2023 federal tax returns due or extensions filed.
- **Monday, May 27th:** SJS offices as well as U.S. stock and bond markets closed in observance of Memorial Day.
- **Tuesday, May 28th:** Settlement cycle for most stock and ETF transactions changes from T + 2 to T + 1.
- **Wednesday, June 19th:** SJS offices as well as U.S. stock and bond markets closed in observance of Juneteenth.
- **Thursday, July 4th:** SJS offices as well as U.S. stock and bond markets closed in observance of Independence Day.
- **Throughout:** Hoping the Summer sun provides happy occasions and warm memories for you and your family!

ABOUT SJS INVESTMENT SERVICES

SJS Investment Services has been serving as investment advisor and co-fiduciary for families, individuals, business owners, foundations, public entities, retirement plans, and corporations since 1995 through our proprietary process called MarketPlus® Investing.

With more than \$2.3 billion* in assets under management, we bring you major money center investment experience and a team of people whose small-town values put you first, all the time, every time.

*As of 03/31/2024

You come first.
All the time. Every time.™

Important Disclosure Information & Sources:

¹ "Strategies". Stone Ridge Asset Management, stoneridgeam.com.

² "Reinsurance". Stone Ridge Funds, stoneridgefunds.com.

There is no guarantee investment strategies will be successful. Past performance is no guarantee of future results. Diversification neither assures a profit nor guarantees against a loss in a declining market.

Statements contained in this report that are not statements of historical fact are intended to be and are forward looking statements. All forward looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected.

Advisory services are provided by SJS Investment Services, a registered investment advisor (RIA) with the SEC. Registration does not imply a certain level of skill or training. SJS Investment Services does not provide legal or tax advice. Please consult your legal or tax professionals for specific advice.