

JANUARY 2024

Q4 2023 OUTLOOK



SMALL TOWN VALUES

By Founder & CEO Scott J. Savage

Isn't this picture magical? It's Main Street in Sylvania, Ohio, the small town where I founded SJS over 28 years ago!

The image is a true example of a community serving its citizens and business owners to make the holiday season festive. Nothing about this light display was easy. In fact, it was the opposite. Difficult and time-intensive. But clearly the Sylvania workforce took pride in their craft.

What drove that? Perhaps knowing their effort and skill would make a difference for people of all ages. A difference in the form of much needed lifting of spirits, bringing smiles and gratitude for living in this wonderful place. And probably a lot of pride to show their own children, grandchildren, their mom and dad that they had a hand in making life a little better for all of us!

Here's to the communities in this great country where SJS has the privilege to live and to help prosper - in 2024 and beyond!

INSIDE THIS ISSUE

Small Town Values	1
Inside MarketPlus® Investing – Fund Spotlight: SRDAX	2
Planning (Financially) For The New Year	4
SJS Welcomes Jeff Lewis & Molly LaClair!	5
Looking Forward To Q1 2024	6

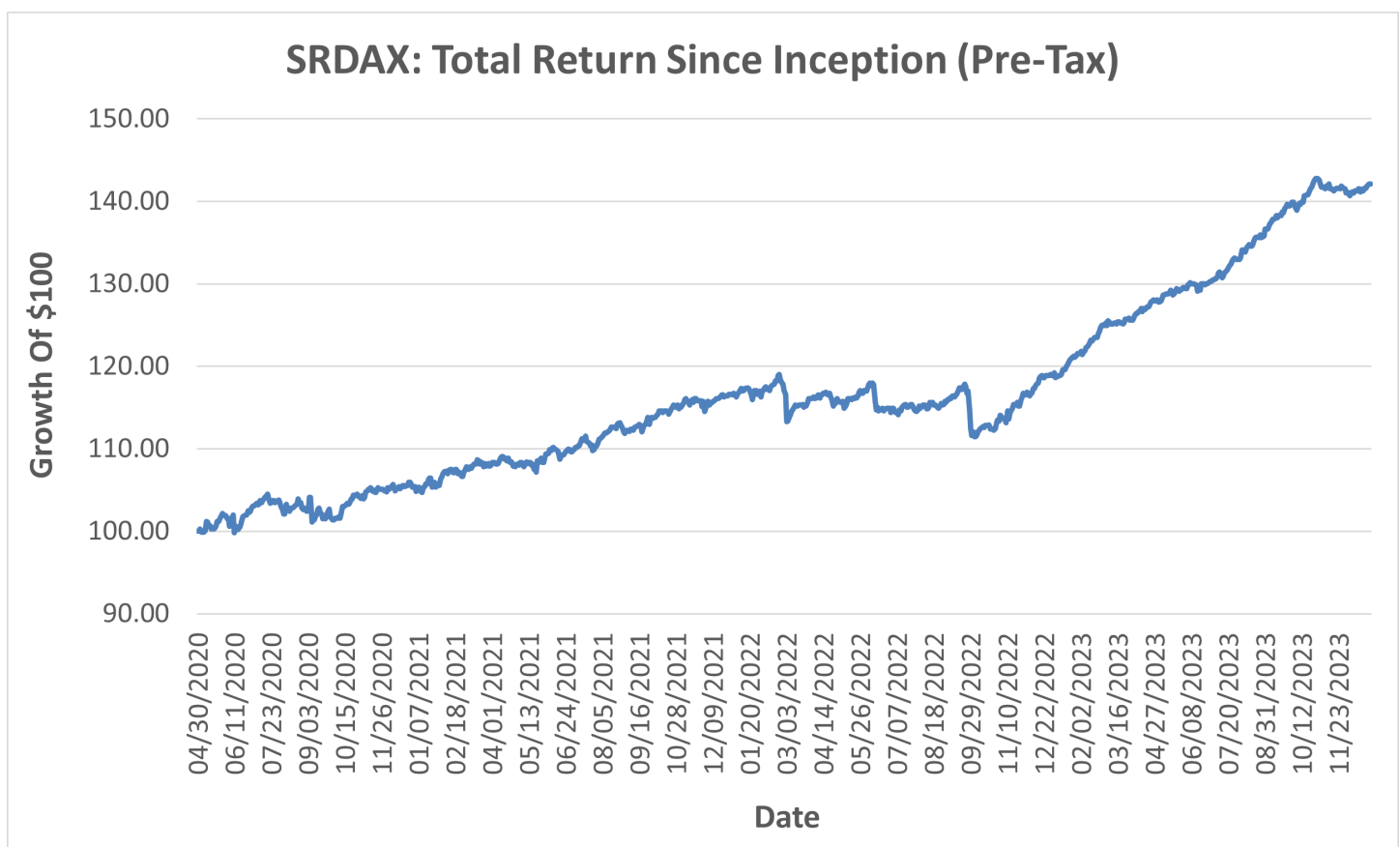
INSIDE MARKETPLUS® INVESTING – FUND SPOTLIGHT: SRDAX

By Founder & CEO Scott J. Savage

What lights me up and has made our clients money in 2023? Diversified alternatives!

After an extensive year-long due diligence process by our Investment Committee seeking to access additional markets while staying true to the core MarketPlus® Investing philosophy, SJS approved the Stone Ridge Diversified Alternatives Fund (SRDAX) as a potential client investment in December 2021. SRDAX is an open-end mutual fund designed to provide access to five underlying investment strategies that have historically performed differently than global stocks and bonds: reinsurance, market risk transfer, style premia, alternative lending, and single-family rental homes.¹ All of these underlying strategies seek systematic income streams.

Starting in December 2021, we began adding SRDAX to client portfolios that we deemed to be appropriate. As of the end of 2023, the fund finished up over 19% for the year.²



Source: Stone Ridge Asset Management. Data from April 30, 2020 (inception of the fund) to December 29, 2023. Total return includes reinvestment of all distributions. Tax implications are not considered. Past performance does not guarantee future results. Short-term results may not be indicative of long-term performance. See Important Disclosure Information.

No investment that purports a return over the risk-free rate will move up consistently, and SRDAX is no different. For example, in November 2023, SRDAX declined almost 1% for the month. It just so happened that coincident with this short-term decline, global stocks and U.S. bonds rallied, up 9.3% and 4.5% respectively in November (as measured by the MSCI All Country World Index and the Bloomberg U.S. Aggregate Bond Index, respectively.)²

While November 2023 is anecdotal, we believe it is also evidence that SRDAX returns are not only uncorrelated to the performance of global stocks and bonds, but they are unrelated. Since adding this strategy to our client portfolios, SRDAX has been an excellent diversifier to our MarketPlus[®] Investing strategies (see table, below). We don't believe the 2023 pace of return is sustainable due to underlying investment conditions; however, it is a shining example of the value alternatives can bring to traditional stock and bond strategies. Namely, providing expected returns commensurate with the risk that is being assumed while not following the ups and downs of the publicly traded stock and bond markets.

Asset Class	Investment / Index Description	Annualized Return Since SRDAX Inception (04/30/2020-12/31/2023)	2020 Return (Starting 04/30/2020)	2021 Return	2022 Return	2023 Return	Daily Correlation To SRDAX Since SRDAX Inception
Global Stocks	MSCI All Country World Index (Gross Div.)	12.65%	33.94%	19.04%	-17.96%	22.81%	0.09
U.S. Bonds	Bloomberg U.S. Aggregate Bond Index (Gross Div.)	-3.16%	2.40%	-1.54%	-13.01%	5.53%	-0.04
Diversified Alternatives	Stone Ridge Diversified Alternatives Fund (Gross Div.)	10.05%	5.35%	10.61%	2.03%	19.53%	

Source: Stone Ridge Asset Management, Morningstar. The MSCI All Country World Index captures large and mid cap representation across 23 developed market and 24 emerging market countries, covering approximately 85% of the global investable equity opportunity set. The Bloomberg U.S. Aggregate Bond Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Indices are not available for direct investment. Index performance does not reflect the expenses associated with management of an actual portfolio. Index performance is measured in US dollars. The index performance figures assume the reinvestment of all income, including dividends and capital gains. Tax implications are not considered. See Important Disclosure Information.

In supplementing traditional bond strategies with an alternative income-seeking strategy, the diversification through SRDAX is as close to a free lunch we have found over the past couple of years. The search for what's next to add to our MarketPlus[®] Investing portfolios continues.

PLANNING (FINANCIALLY) FOR THE NEW YEAR

As we begin the new year, we have some ideas for concrete actions to start your new year on the right foot, financially.

Review Retirement Contributions & Gifting Goals

In 2024, the IRS is boosting retirement contribution limits to new highs, as detailed in the table below. The IRS is also increasing the amount you may gift to an individual recipient to \$18,000 in 2024, without affecting lifetime gift tax exemptions.

Notify Your Accountant

It is important to notify your accountant of

any contributions or donations that may have a tax consequence, as your tax documents that you provide your accountant may not explicitly state all of your contributions and donations. For example, retirement plan contributions, charitable donations (particularly qualified charitable distributions (QCDs) from your Traditional IRA if you are over age 70 1/2), and 529 plan contributions can all potentially help you save on taxes.

Keep SJS Apprised Of Trusted Advisor Changes

We want to keep up with changes affecting your family, including changes to your attorneys, accountants, or bankers. Please let us know if you have made changes to the professionals you work with.

2024 Selected Retirement Plan Contribution Limits

Elective Deferrals – 401(k), 403(b), and 457 plans	<ul style="list-style-type: none"> • Participant Contribution Limit: \$23,000 • Total Participant + Employer Contribution Limit: \$69,000 • Catch-Up Contribution Limit (If Age+ 50): \$7,500 • 403(b) Additional Catch-Up Contribution Limit With Greater Than 15 Years Of Service: \$3,000
Defined Benefit Plan	<ul style="list-style-type: none"> • Maximum Annual Benefit: \$275,000
SIMPLE IRA	<ul style="list-style-type: none"> • Contribution Limit: \$16,000 • Catch-Up Contribution Limit (If Age 50+): \$3,500
SEP IRA	<ul style="list-style-type: none"> • Contribution Limit Is Minimum Of: <ul style="list-style-type: none"> ○ 25% Of Compensation (Adjusted Net Earnings If Self-Employed) ○ \$69,000 • Minimum Compensation Necessary: \$750
Traditional IRA & Roth IRA Contributions	<ul style="list-style-type: none"> • Total Contribution Limit: \$7,000 • Catch-Up Contribution Limit (If Age 50+): \$1,000
Health Savings Account (HSA)	<ul style="list-style-type: none"> • Self-Only Contribution Limit: \$4,150 • Family Contribution Limit: \$8,300 • Catch-Up Contribution Limit (If Age 55+): \$1,000

Source: "Retirement Topics - Contributions". IRS, [irs.gov](https://www.irs.gov).

Update Your Estate Plan

It is a good practice to regularly review your beneficiary designations to ensure they match your current wishes and align with your estate planning documents. Reviewing your estate planning documents periodically is also recommended, at least every five years or when there is a major change in your life situation.

Keep Your Wealth Protected

Wealth accumulation is only part of the equation; the other piece is wealth protection. We strive to help keep your personal data safe, including avoiding sending personal information via email and reaching out to you to confirm that requests we receive from you are legitimate. Taking additional steps like changing passwords periodically and adding multi-factor authentication can help to keep your information safe.

As always, we are here to help you put your best foot forward. We are glad to meet with you to help keep you on track!

SJS WELCOMES JEFF LEWIS & MOLLY LACLAIR!

We would like to welcome Jeff Lewis and welcome back Molly LaClair to the SJS Team!

Both Jeff and Molly are Associate Advisors, working alongside Senior Advisors to serve our clients, particularly with financial planning and investment analyses. Additionally, Jeff will be helping with business consultation and strategic planning for our non-profit and small business clients.

More information about Jeff and Molly can be found at <https://www.sjsinvest.com/about#team>.

Please join us in welcoming Jeff and Molly!



Picture: Jeff Lewis with his wife Meghan and their children.

LOOKING FORWARD TO Q1 2024

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

- **Monday, January 15th:** SJS offices as well as U.S. stock and bond markets closed in observance of Martin Luther King, Jr. Day.
- **Monday, February 19th:** SJS offices as well as U.S. stock and bond markets closed in observance of Presidents' Day.
- **By Early March:** 1099 and other tax documents should be available from your custodian.
- **Friday, March 29th:** SJS offices as well as U.S. stock and bond markets closed in observance of Good Friday.
- **Throughout:** Wishing you a wonderful Winter and a superb start to Spring!

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 \$2.2 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 12/31/2023

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

Important Disclosure Information & Sources:

¹ Source: Stone Ridge Asset Management. ² Source: Morningstar.

Indices are not available for direct investment. Index performance does not reflect the expenses associated with management of an actual portfolio. Index performance is measured in US dollars. The index performance figures assume the reinvestment of all income, including dividends and capital gains.

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.