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## Fourth Quarter 2023

There are a variety of links and SFA updates below for you to dig into. As always, feel free to reach out if you have any questions about your finances.

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### Advisor Desk

Markets continue to be driven higher by the strength of large tech stocks, deemed the "Magnificent 7". These stocks such as Apple, Google, Nvidia, and Tesla are leading the US equity markets, but what is the risk here? Sure they can continue and they definitely have the momentum to do so but the bigger risk is the longer term fortune telling. Who knows which of these companies will still be magnificent in 10 years? 20? There are countless examples of companies that were once magnificent but didn't maintain that luster. Sears, Kodak, Nokia, ToysRUs, Blockbuster.

Many of the seven are great companies, but we want to be smart about how their company stock are allocated in your portfolio. When an asset increases in value at a faster pace than the rest of the portfolio, it's weight within the portfolio because larger than planned. This can add risk by moving away from a goal allocation. This on a grand scale has happened to the S&P 500 itself. Despite the index being composed of 500 stocks, Apple, Microsoft, and Google make up nearly 20% of the entire index. How do you mitigate some of these risks? Regularly trim some of the gains off of the top of high performing assets to put them back in line with the goal portfolio and reinvest the proceeds into other assets that may one day be part of the Fantastic Five of the next decade.

We have exciting plans for 2024. We will continue expanding the services for our clients and our quarterly newsletters will continue as will our client appreciation night

in May. In addition, I need your help with one of our bigger plans for 2024 which is to add a free personal finance conference on the day of our client appreciation night (more information below).

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## SFA Updates

Lead advisor, Stephan Shipe, recently sat down with Dr. James Dahle on the [White Coat Investor podcast](#) to discuss asset allocation.



## Local Meeting Options

Coffee with Clients

## **We want to connect with you!**

If you live around or are visiting the Winston-Salem area, we are available for in person presentation meetings. We would also enjoy simply catching up over coffee or getting together for your next renewal pre-meeting. [Contact us](#) for more information!

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One of our bigger plans for 2024 is to add a free personal finance conference for our clients on the day of our client appreciation night. Just like our client reception, this in-person event would be completely free and limited to SFA clients only.

This one day conference would be a way for us to continue building on the “Education” section of our mission to Educate, Empower, and Encourage. Topics would include investments, estate planning, taxes, and the current state of the markets.

As this is not something that is usually done by financial advisory firms, we'd like to know if it is something you would be interested in attending.

**If a personal finance conference were offered in Winston-Salem, North Carolina in the spring of 2024, would you plan to attend?**

[Yes](#)

[No](#)

[Interested, but unable to attend in person in 2024](#)

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We are excited to expand our services to include pro bono financial planning aimed at empowering individuals and families facing significant financial hardship with the knowledge and tools they need in their quest for financial stability.

If you know someone who could benefit from these services, share this newsletter below or direct them to [learn more](#) and fill out an application [here](#).

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## Things We Are Watching

- Bonds become more attractive as interest rates have increased and the Fed signals possible decreases in the future
  - A large Q4 stock market rally driven by large tech stocks
  - Expiration of the Tax Cuts and Jobs Act (TCJA) in 2025 drops the estate tax limit
  - Commercial real estate, especially office properties, are under pressure and will be refinancing debt at significantly higher rates potentially leading to further pressure in this area
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## What We Are Reading

How Money-Market Funds Could End Up Costing You



## 529-to-Roth IRA Rollovers



## Budgeting and the Mint Shutdown



## Reminders

### Need more help?

Contact us to inquire about professional recommendations, including CPAs.

### When should you contact us outside of your annual meeting?

Anytime you have a build up of cash, change your job, make or consider a major purchase, relocate, or are concerned about the allocation of your portfolio.

**Reach out anytime with questions or to schedule a meeting.**

We look forward to hearing from you!

[Contact Us](#)

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