Our Quarterly Report

"Every day, in every way, I'm getting better and better."

Rewald, Sebranek, & Frawley
An Independent Firm

April 2023

Little Gestures

A British family went to Scotland one summer for a vacation. The mother and father were looking forward to enjoying the beautiful Scottish countryside with their son. But one day the son wandered off all by himself and got into trouble. As he walked through the woods, he came across an abandoned swimming hole and as most boys his age do, he took off his clothes and jumped in! He was totally unprepared for what happened next. Before he had time to enjoy the pool of water, he was seized by a vicious attack of cramps. He began calling for help while fighting a losing battle with the cramps to stay afloat. Fortunately, a farm boy was working in a nearby field. When he heard the frantic cries for help, he rescued the English boy and brought him to safety.

The father of the boy who had been rescued was of course very grateful. The next day, he went to meet the youth who had saved his son's life. As the two talked, the Englishman asked the brave lad what he planned to do with his future. The boy answered, "I'll be a farmer like my father." "The grateful father said, "Is there something else you'd rather do?" "Oh, yes!" answered the Scottish lad. "I've always wanted to be a doctor. But we are poor and could never afford to pay for the education." "Never mind that," said the Englishman. "You shall have your heart's desire and study medicine. Make your plans, and I'll take care of the costs." So, the Scottish lad did indeed become a doctor.

The legend of this fable says that years later, in December of 1943, Winston Churchill (the English boy) became deathly ill with pneumonia while in North Africa. His life was saved for a second time by the Scottish boy (Sir Alexander Fleming). This time with a new drug Fleming had invented, the first antibiotic, penicillin. Two years later under the unshakable leadership of Churchill, Britain and her Allies would defeat Hitler and the Nazis, ending the most diabolical regime in history.

The story above appears in the book Holy Moments by Matthew Kelly. Though the fable is fiction, it teaches a valuable lesson. In Aaron Rodgers' footsteps, Kaleb partook in a four day silent retreat weekend at a Jesuit Retreat House in Oshkosh. All joking aside, the Jesuit presenter hammered the importance of "little gestures" and "living in the now." These points were made in the context of our faith and relationship with God but can be extended into our everyday lives.

In this past quarter, we personally experienced events which kept us humbled: 1) Unexpected deaths of long term client-friends who always challenged us to become the best version of ourselves to 2) Silicon Valley Bank and Signature Bank failures creating a run on banks to 3) the exciting news of additional babies.

It is only human to worry about the future and what will be. Yet let us be present in the here and now—which is all we are promised—and show our gratefulness by doing a little gesture for someone else.

2023 Index Returns (Year-to-Date)

Major Stock Indices	(As of 3/31/2023)*	Major Bond Indices	(As of 3/31/2023)*
S&P 500	+7.55%	U.S. Aggregate Bond Index	+2.96%
Dow Jones Industrial Ave	+0.97%	U.S. High Yield Bond Index	+3.59%
NASDAQ	+17.12%	U.S. Government—Long	+6.17%
MSCI World ex USA	+7.06%	CPI—Headline	+1.04%

**Source: MSCI Net Returns, Barclays Capital*

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Financial Planning with Terry

Terry Sebranek, Financial Advisor

Dust Off Your Estate Plan

We sometimes think of estate planning as a once and done. However, our lives continue to change and your estate plan should be reviewed at least once every few years OR if there is a major change in your life. The loss of a spouse, the birth of a child/grandchild, a move or a bad choice by a beneficiary are all good reasons to pull out your estate plan and review it.

A complete estate plan will usually include a will and/or trust, healthcare and financial powers of attorney, end of life planning and a HIPPA release for medical records. Periodically reviewing your plan will help ensure that current laws are taken into account, and also what was important to you 10 years ago, might not matter now.

Some outdated estate plans that we've reviewed with clients have had agents/fiduciaries who have relocated or even died. You named your best friend and neighbor Bob to be your personal representative 10 years ago, and he now lives 5 states away and you haven't talked since you helped him load the U-Haul.

Since you created your estate plan, maybe you have a new child or grandchild who should be added as a beneficiary. Maybe that child has some special health needs. Did your son's fourth marriage end or does he have a gambling addiction?

Have your goals or intentions changed since your last estate plan update? Maybe, when your children were just starting out their families, you thought that everything should go to your kids. Now, your children themselves are getting close to retirement with their own savings. Does the local charitable organization need financial support or would have your goals changed—instead of leaving everything to your nieces and nephews, maybe there are other individuals or charities who could use your support.

Does your estate plan incorporate digital assets that you might not have owned (nor been invented) when you drafted your last will/trust? Now, you do most of your banking online, you have photos stored in the 'cloud,' you have social media accounts and you wouldn't want your credit card rewards wasted. Most recently updated estate plans have special language to allow your decision makers to manage your digital assets now.

Have your assets changed substantially? When you were 30 and raising kids, you probably didn't have a million dollars in your retirement account, and now your parents have passed away and left you an inheritance, too. That simple will that nominated guardians for your minor children now won't protect your adult daughter from creditors or her own bad decision making/addictions.

Our office periodically reviews estate plans with our clients, and wow, the nights can be long, but the years sure are short. We just were reviewing an estate plan with clients, and they couldn't believe it had been five years since their estate plan update. Please, dig up the folder that has your will or pull your estate planning binder off the shelf and at least review the people who you have put in charge of healthcare and financial decision making – are those people still around, have you communicated with them recently, do you still like him or her? If not, then it's time to phone your attorney and schedule an update. This summer, you should expect an estate plan review (and the integration of that plan with your accounts) to be part of your regular financial planning review that you have with our office.

Estate planning is an important and everlasting gift you can give your family

Joe's Journal

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Joseph Brown, Financial Advisor

Silicon Valley Bank—A Bank Run

In the 1946 Holiday Classic "It's a Wonderful Life," George Bailey (the main character) gives up his dreams of traveling the world to stay home in Bedford Falls to run the family business—Bailey Building & Loans—a small community bank and mortgage lender.

As you may recall, on George's wedding day there is a big mix up at the bank which caused them to close their doors. This decision then stirred a panic in the people, leading to an angry mob of bank customers demanding their deposits back. As George pleads with the depositors, he explains that "The money isn't here! Your money is in Joe's house right next to yours, and the Kennedy house, and a hundred others." As this romanticized plot unfolds depositors take $20 here and $15 there just enough to get by for the greater good of others.

This chain of events is not so unlike what happened at Silicon Valley Bank in California. Over the course of just a couple of days. Here's what occurred:

March 8: Silicon Valley Bank announced its $1.8 billion loss on its bond portfolio along with plans to sell both common and preferred stock to raise $2.25 billion. In the aftermath of this announcement, Moody's downgraded Silicon Valley Bank's long-term local currency bank deposit and issuer ratings.

March 9: The stock for Silicon Valley Bank's holding company, SVB Financial Group, crashed at the market opening. Other major banks also saw their stock prices take a hit. Additionally, more SVB customers began withdrawing their money, for a total attempted withdrawals of $42 billion.

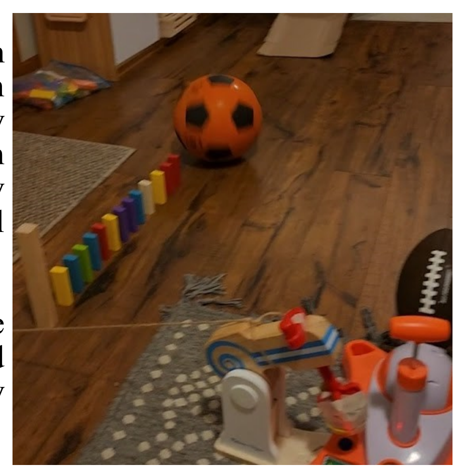
March 10: Trading was halted for SVB Financial Group stock. Before the bank could open for the day, federal regulators announced they would take it over. After regulators were unable to find a buyer for the bank, deposits were moved to a bridge bank created and operated by the FDIC with a promise that insured deposits would be available by Monday, March 13.

March 12: Federal regulators announce emergency measures in response to the Silicon Valley Bank failure, allowing customers to recover all funds, including those that were uninsured.

March 17: Silicon Valley Bank's parent company, SVB Financial Group, filed for bankruptcy. In only 9 days, SVB became the second-biggest bank failure in U.S. history.

The bank run and subsequent failure of Silicon Valley Bank was a timely example of a chain reaction. In a recent homework assignment, my second oldest boy Cameron was tasked with creating a chain reaction of his own. Silicon Valley Bank provided me the opportunity to provide a real world, current event example.

Cameron's interpretation of a chain reaction can be seen in the pictures shown. His soccer ball initiated a chain reaction as subsequent actions rapidly unfolded.



Jesse's Analysis

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Jesse Peckham, Business Manager

SIPC Insurance

In light of the recent bank failure let's review the protection in place for your investments if a member firm is forced to liquidate by the SEC or FINRA. The Securities Investor Protection Corporation, better known as SIPC, insurances your brokerage account up to $500,000 per client at one financial firm. Of this $500,000 of investment protection, $250,000 of that can be used to protect any cash in your account not invested in securities. What items are covered under the term "security" at an SIPC member firm? Stocks, bonds, treasury securities, certificates of deposits, mutual funds and money market mutual funds are all covered securities under the SIPC's eyes.

The SIPC does NOT protect against losses due to market fluctuations, bad investment advice or losses due to a security breach. Other assets not covered by the SIPC would be commodity futures contracts, foreign exchange trades, and fixed annuities.

You may be covered for more than the $500,000 if you have more than one account and different registrations. If you have a Traditional IRA and a Roth IRA, each is insured for $500,000 as the account registrations are different in the eyes of the SIPC. Another investor could have investments in an IRA, an individual account, and a trust account; each of these is treated as a separate "customer", thus increasing his or her protection.

In the event a member firm must liquidate, investors are many times made whole without the involvement of the SIPC, but it does give peace of mind to many knowing the protection is there. We are a member firm and fall under the protection of the SIPC.

FDIC Insurance Misconceptions

Misconception #1: FDIC insurance coverage is based on the type of deposit you have. For example, a checking account is insured separately from a certificate of deposit (CD).

FDIC insurance coverage is based on how much money each depositor has in one of several "ownership categories" at each bank — single accounts, joint accounts, revocable trusts, and certain retirement accounts and so on — not on the deposit product itself.

Misconception #2: If I have three accounts, I have three times the FDIC coverage

Regardless of how many accounts you have at a particular bank or if you opened them at different branches, they will count against your $250,000 total coverage limit for that bank if they fall into the same ownership category. So if you have three of the same type of account at the same bank and all three are owned by you alone, you'll get $250,000 in coverage total.

You are eligible for additional coverage if you have accounts that fall into multiple ownership categories. In that case, each category total is eligible for $250,000 in protection per owner, per institution. Owning one joint account and one single account would equate to up to $500,000 in total coverage. However, having multiple accounts does not alone qualify you for additional coverage, especially if they fall into the same ownership category.

Misconception #3: It will take years to get my money back, even if it's covered by FDIC insurance

There's a myth that the FDIC can take up to 99 years to get your money back to you, even if it's lost in a covered circumstance. Although the FDIC doesn't impose strict time limits on itself, it is bound by federal law to get your funds back to you "as soon as possible." According to its website, its goal is to have your insured funds returned within two business days, with the majority of those cases being resolved the next business day.

How Your Assets Are Protected

	FDIC insurance	SIPC insurance
What's covered	Money held in a bank account, including checking accounts, savings accounts, money market deposit accounts, and certificates of deposit	Assets held in a brokerage account, including stocks, bonds, mutual funds, money market mutual funds, and Treasury securities
What isn't covered	Stocks, bonds, annuities, mutual funds, life insurance policies, safe deposit boxes	Changes in your investments' value Investment contracts and fixed annuity contracts that aren't SEC-registered, foreign exchange trades, commodities futures contracts
How much is covered	Up to \$250,000 per depositor, per FDIC-insured bank, per account ownership category	Up to \$500,000 total, \$250,000 of which can be in cash

Scenario	SIPC	FDIC	Fidelity Bond	Cyber Liability	E&O
Commonwealth Financial Network fails/ closes	Covers \$250,000 in cash and \$250,000 in securities	N/A	N/A	N/A	N/A
National Financial Services (NFS) fails/ closes	Covers \$250,000 in cash and \$250,000 in securities	N/A	N/A	N/A	N/A
ABC Bank fails/closes	N/A	Covers \$250,000 deposited at each bank	N/A	N/A	N/A
A Commonwealth advisor, his or her staff member, or a home office employee fraudulently accesses funds from the account	N/A	N/A	Covers \$20 million per incident	N/A	N/A
A cyberbreach occurs that is deemed Commonwealth's fault and affects an advisor's office	N/A	N/A	N/A	\$15 million	N/A
Commonwealth, a registered representative or an advisor Is sued for actions that arise out of allegations of errors	N/A	N/A	N/A	N/A	\$2 million for any single claim and \$20 million aggregate for the policy

Beth's Bulletin

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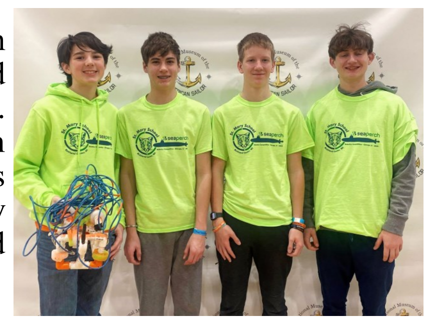
Beth Kepler, Financial Services Professional

Stretching Ourselves

Every quarter, our team comes up with a few goals to focus on and this quarter one involves "stretching." Not in the physical sense, but more of a reflection on what did someone on the team do this week that pushed or "stretched" them. Calling someone to wish them a Happy Birthday can make someone's day, going to a basketball game for a client's daughter or spending the afternoon with someone that just needs to talk. These may seem like very simple things; but it can make a world of difference to someone. It's not limited to client related items as it could be within our team and supporting each other when one of us needs help with a project or task.

Each week, we have a meeting and Stretch gets to hang on the door of whoever we feel "stretched" the most. However, if you ask Grace, Kaleb's daughter, if dad does not have Stretch hanging on his door, then he did not actually work hard that week. Last week, Grace asked Kaleb if he stole Stretch from someone or if he actually earned him that week. Feel free to ask us about Stretch's travels and if Kaleb has been working hard enough.

Kepler Family Update



The boys competed in the regional Sea Perch Competition in Chicago on March 18th. They drove down with a group from school on Friday and did some sightseeing at Navy Pier, The Shedd Aquarium and Millennium Park. The boys said their teams did not do well. Avery said their motors blew up in the water and Daryn said they started out okay, but one of the teammates dropped their controller so they ended up sitting out an event to fix it. They still enjoyed their time with their friends (and away from their parents) and learning what worked and what didn't work so well.

In addition to the Sea Perch Competition, the kids had their annual science fair the day before leaving. They put a lot of work into this every year for weeks prior. Each grade had different themes and the 8th graders do Rube Goldberg machines, which is a series of chain reactions to achieve a simple task. Daryn chose to use a hammer to pound in a nail for his simple task. One component they had to use was a 3-D printed pulley they made at school, which he got the award for Best Use of the Pulley. He was also awarded Best of Show for his project, amounting to a "proud mom" moment for me as he worked hard and did 90% of it himself.

As we are in the midst of March Madness, now is a good time to say that in early July we will be adding a fifth child to our family, giving us our own basketball team. Some may think we are crazy since we will be starting over after seven years and our oldest will be in high school. The upside is we have a built-in babysitter, but I don't think he will see that as a positive. We have also made progress on our never-ending home remodel. We have kitchen cabinets installed, painting complete and now we are focusing on flooring and finishing up the electrical and light fixtures. Fingers crossed we are able to move in before summer and the baby's arrival!

Kaleb's Corner

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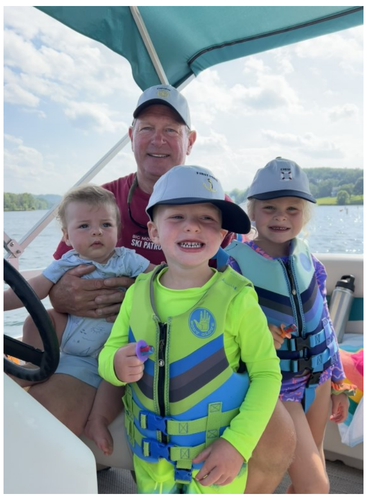
Kaleb Frawley, Financial Advisor

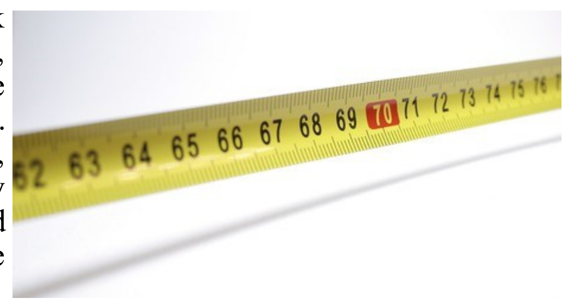
You're Gonna Need a Bigger Boat

As I have discussed in the past, my in-laws have a second home on Dutch Hollow Lake near LaValle. Last summer, my father-in-law Roy invested in a used, recently refurbished pontoon. The joke in the family was the boat was to be called the "SS NoRoy" because his wife Liz always tells him no (she says it's due to the frugal Scot side of her ancestry). Yet by the end of summer 2022, Roy had realized his nine passenger, 70 horsepower pontoon was not large enough for his "wants." Thus he began his sales pitch and campaign for a newer, bigger boat.



A 150-200 horsepower minimum motor was needed. Kids want to go fast when tubing and he needs the power to be able to throw them off. Secondly, the boat holds only nine passengers. When Maggie and the kids bring their friends, they all have a lot of kids and can't leave any of them behind. Mother-in-law Liz countered and called a new boat a "want" rather than a "need." Remember "NoRoy."

One afternoon Roy was in Richland Center so we planned a trip to the local boat dealer. On our way Maggie texted, "The Buzzkill invited herself." Maggie's code word for her Mom was coming too. When we arrived, five year old Grace fell in love with a brand new pontoon. As I recall, it was 300 horsepower, held over 16 passengers, 28 feet long, had a back up camera and numerous other features. It could be Roy's for the low price of $115,000. Let's just say mother-in-law Liz was not in the buying mood. As we walked away, Roy acknowledged the boat was out of their price range, but it didn't mean a newer, bigger pontoon boat wasn't necessary. When we arrived back at our home, Roy tried a new sales approach.



Roy asked me where my tape measure was. I searched the junk drawer and handed it to him. He instructed Grace to hold one end, started to unroll it and stated, "The average life expectancy in the United State is 77 years old." Roy stopped the tape measure at 77. He continued on, pointing out various numbers on the tape measure, "I'm going to be 70 years old this fall. My sister died at 75 and my brother died last year at 72." Roy looked at us all in the face and seriously said, "I'm running short on tape. I might luckily have five years left." The room fell quiet and Roy's point was made.

Shortly thereafter Maggie informed her Dad she was pregnant with baby number four. Roy glared at me and I smirked back uttering the famous 1975 Jaws movie quote "You're gonna need a bigger boat." Unimpressed, I continued on "I'm just trying to help do my part with your sales pitch to Liz." Flash forward a month later, Roy and Liz pulled the trigger on a 16 passenger tritoon boat with a 150 horsepower motor. The price tag appealed to Liz as it was about a third of the price of Grace's dream boat.

As I was contemplating writing this story I asked Maggie for feedback and her perspective. Maggie stated "Kaleb, I'd rather have more time tubing, jumping off the boat and hanging out with my dad rather than an extra $30,000 or so in an inheritance. I don't care about money. These are memories and experiences, just like winter ski weekends, our kids will have for years to come. You can always make more money. Can't say that about time." Something we all can take to heart.

"The biggest difference between money and time. You always know how much money you have left but you never know how much time you have left."

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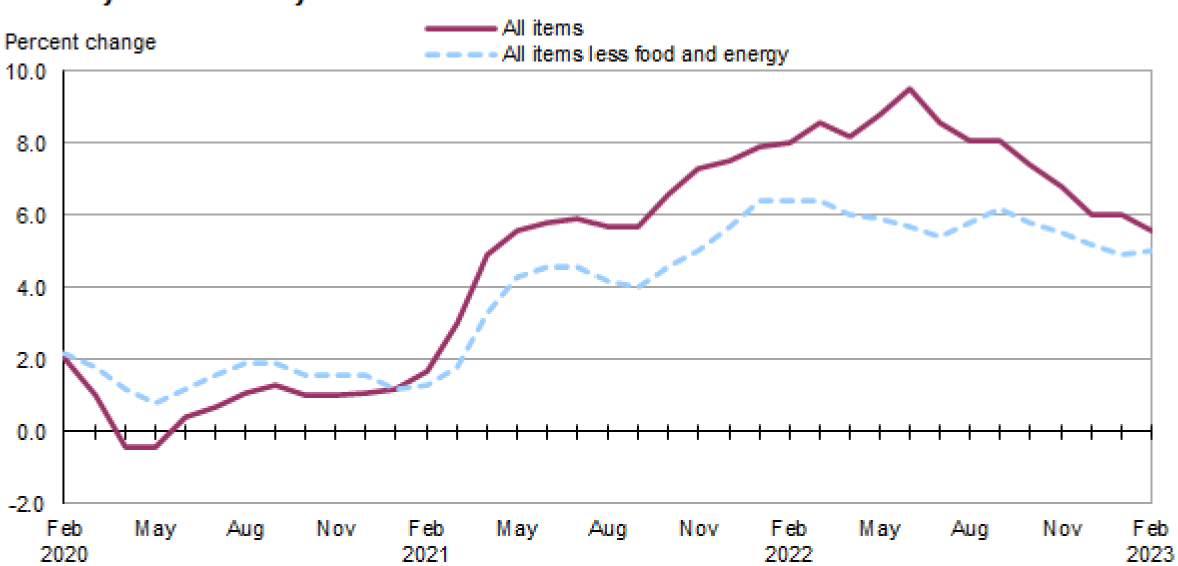
«AddressBlock»

Series I Savings Bond Update

We continue to track inflation numbers as February is the fifth month of a six-month string that will determine the I Bond's new inflation-adjusted variable rate. Through the last five months, inflation has run at 1.36%, which would translate to an annual variable rate of 2.72%. One month remains, so it looks like the new variable rate should be down substantially from the current rate of 6.48%. The I Bond's new official fixed rate will be announced May 1st, at which time we will be communicating the new rate and future actions.

Chart 1. Over-the-year percent change in CPI-U, Midwest region, February 2020–February 2023



Source: U.S. Bureau of Labor Statistics.