



# THE RSF REPORT

Rewald, Sebranek, & Frawley | An Independent Firm

April 2024

## LOOKING BACK ON 20 YEARS

On April 15, 2004, Joel Rewald took a chance and hired a new intern to help out at the office. Little did I know that 20 years later, I'd have the most rewarding career helping families plan for their futures while working with a great team. I was a freshman at the local community college and active in Kiwanis with Joel and Lisa. Jon, the intern at the time, coached me on what to do - how to answer the phone, file forms and prepare for the appointments Joel had scheduled. I was at the office for a total of three weeks before Joel, Lisa and Mylan all left for a four-day meeting in Washington DC with Steve Moore/High Speed Strategic Planning. Joel gave me a key, asked me to keep the lights on, answer the phone and take care of what I could while they were away! I did the best I could and was grateful for both the freedom he gave me and for their return!

There have been a lot of changes in our office over 20 years yet, a lot has stayed the same. When I started working at the office, and for the next 13 years, we were affiliated with Raymond James Financial Services. Joel had transitioned to an independent fee based financial advisor just a few years before I joined the team. Raymond James treated us well. They grew very rapidly due to some acquisitions; however their support staff didn't expand as rapidly. We found ourselves looking for a new broker-dealer to join, and luckily, we found Commonwealth, a company that was independently owned and run by a team who knew us as people, not just a branch. Commonwealth has been a wonderful fit for our clients and also has provided exceptional support to our office. After Joel's

retirement, we moved our offices to a newly remodeled building where we all had windows and space for an expanding team.

During the past 20 years, I've also had lots of personal changes. I married my high school sweetheart, Jenna, and supported her during medical school and residency. With help from clients and friends, we celebrated her graduation from Medical School together! We moved six times - with help from RSF clients! Our personal and professional lives have blended together throughout the years - I'm so grateful for the times when clients kindly ask, "How are Jenna and the kids doing?" We have been blessed with two wonderful children, family who are close and friends who inspire us! Along with all of the good things came great sadness when my mom was ill for eight years and passed away from early onset Alzheimer's just months after our twins were born.

I have been both humbled and blessed to walk with clients through life's biggest events and challenges. There have been lots of marriages and births of children or grandchildren. We've also been part of countless life decisions to buy a home, start a business, take a new job or retire from a career. We've also been there for our clients as they go through struggles of health challenges, family adversity or losing a loved one. We've all made promises to our clients and their families that we'll do our very best to support and guide surviving loved ones as they grieve and

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### 2024 Index Returns (Year-to-Date)

#### Major Stock Indices (As of 3/29/2024)

S&P 500	+10.56%
Dow Jones Industrial	+6.14%
Nasdaq	+9.31%
MSCI World ex USA	+4.66%

#### Major Bond Indices (As of 3/29/2024)

U.S. Aggregate Bond Index	-0.78%
U.S. High Yield Bond Index	+1.47%
U.S. Government—Long	-3.24%
Consumer Price Index	+1.07%

\*Source: MSCI Net Returns, Barclays Capital



## LOOKING BACK ON 20 YEARS (CONTINUED)

*by Terry Sebranek, Financial Advisor*

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continue on with life. Looking back, some of my fondest memories have included sharing a first meal in a client's newly built home, meeting client's children and grandchildren, and traveling to visit clients who live many states away yet still have some connection back to Southwest Wisconsin. The common denominator in all of those memories is the kitchen table. I've been so lucky to have had the opportunity to visit with most all of our clients in their homes around their kitchen table, and for that, I'm deeply grateful.

Twenty years ago, our office was primarily an investment planning business. Over the decades, we have expanded our services to include:

- Comprehensive tax planning and coordination with clients' accountants. We've been able to develop great professional relationships with accountants and tax professionals who have mutual interest in our clients.
- Integrated Estate Planning. Instead of encouraging clients to go see an attorney, we've been able to join them in-depth estate planning meetings with attorneys and estate planning experts. Those professional relationships have turned into friendships with some brilliant minds and good humans!
- Next Generation Planning. Many clients who have their own financial matters under control also want to help their adult children and grandchildren to have a good financial plan. With our flat fee for financial planning, we love helping the next generation with retirement planning, insurance decisions, education planning and basic estate planning to protect their loved ones.
- Social Security and Medicare Planning – these are two very big decisions that most people only make once. We've spent tons of time learning the ins and outs of Social Security and Medicare so that we can deliver the best advice to our clients.

While not without more than a few tough, long days/weeks/seasons, the joys and fulfillment have far outweighed the struggles. Our office is focused on team-based collaboration and trust. When you're a client of RSF, you have an entire team, not just one advisor, thinking about you and planning for your family. We all have unique skills that we bring to relationships and our goal is to 'be all things to a select group of people.

Moving forward, I'm not planning to go anywhere soon. I'll be 40 this winter and still enjoy coming to the office with the most amazing group of colleagues. Kaleb has been my dear friend and business partner for over a decade. He is our "Iron Trap" – few, if any, things get past him! I'm excited for Jesse as he studies for and takes his Series 7 Securities exam and spends more time focusing on our investment models. Joe brings joy to the office and has the ability to know when something is awry with us (sometimes before we know ourselves). Beth – well, she keeps us guys all in line! She gets projects done and follows through on processing/paperwork better than anyone else I've worked with. And, welcome Alyssa to the team as she learns about our industry, gets to know our clients and finishes her undergraduate degree.

And to each and every one of you – our clients who have become friends. THANK YOU! I appreciate each of our unique relationships. I appreciate the kindness that you extend to our office. I appreciate the trust that you place in our team. I believe we've built a financial planning firm with staying power that will help guide you through life's journey and build your meaningful legacy.

Cheers to 20 years!

-Terry



# AI - THE MODERN FRONTIER

*by Joseph Brown, Financial Advisor*

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Recently I began an autobiography on John D Rockefeller, as the author set the stage for John's story & the rise of the oil industry, he provided a bit of context to life in the 1850's. Before the discovery of kerosene, homes were lit by burning whale oil or animal fat. In 1855, Benjamin Sillman (a chemistry professor at Yale University) discovered after analyzing and testing crude oil, it could be distilled and purified to yield kerosene!

Fascinating enough, originally as crude oil was being refined, producers found no use for other by-products it produced such as lubricating oil, gasoline, and paraffin. Gasoline was so useless at that time it was dumped into the Cuyahoga River. Who would have guessed years later the impact these waste materials would have on daily life for people all over the globe!

As with oil or automobiles, advancements in science and technology are often met with resistance and even fear. In the early 1900's "horseless buggies" were met with opposition as people disliked the noise and clouds of dust that automobiles produced. (not to mention the physical threat they posed to pedestrians). Today Artificial Intelligence (AI) stands as a modern frontier, providing a similar awe and apprehension felt by prior generations towards revolutionary advancement & technologies.

Maybe you're not that familiar with AI technology or how it's being implemented. You may find how AI is being used today in various applications fascinating.

- Machine learning - an advancement that enables systems to learn from data without explicit programming. It powers virtual assistants like Siri and Google Assistant, which respond to voice commands to provide personalized assistance.

- In healthcare, AI aids in medical imaging interpretation, analyzing radiology scans to assist in disease diagnosis.
- AI-driven chatbots facilitate customer service interactions, enhancing efficiency and accessibility.

AI's ability to automate tasks, personalize experiences, and innovate across industries is hard to comprehend. However, concerns about job displacement, privacy invasion, and algorithmic bias remain. Just as kerosene transformed daily life, in turn the whaling industry suffered. AI enhances convenience through virtual assistants and recommendation algorithms, but at what cost?

The thought of technology "taking over" and controlling humanity feels like a story out of Hollywood, yet its impact may be more profound than we realize. Companies we rely on daily, invest in, and benefit from are already utilizing AI to varying degrees. From social media to smart phones and smart cars, companies are becoming "smarter" to personalize and tailor individualized experiences.

AI holds the potential to revolutionize healthcare, transportation, and more. Yet, as with previous technological shifts, we must address concerns about equity and ethics. Furthermore, AI cannot take the place of human interaction. At the end of the day we are hardwired to desire personal relationships. We want to look someone in the eye, to hug, and to greet with a smile.

We feel in our industry, efficiencies are less important than relationships in the storms of life! We want our clients to hear a warm, friendly, and familiar voice on the other end of the phone. We may not have all the answers, but know that with genuine care we'll work to find them for you.



# INVESTING IN AN ELECTION YEAR

by Jesse Peckham, Business Manager

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If you're nervous about the markets in 2024, you're not alone. Investing during an election year brings increased uncertainty in the markets in the year ahead. Investors would be wise to tune out the noise and focus on the long term.

That's because elections have, historically speaking, made essentially no difference when it comes to long-term investment returns. Stocks have continued their upward trend regardless of the party holding the presidency.

What should matter more to investors is staying invested. A \$1,000 investment in the S&P 500 made when Franklin D. Roosevelt took office would have been worth over \$21 million as of December 31, 2023. During this time there have been eight Democratic and seven Republican presidents.

The S&P 500 Index had negative returns in only two of the last 20 elections years (2000 & 2008), and

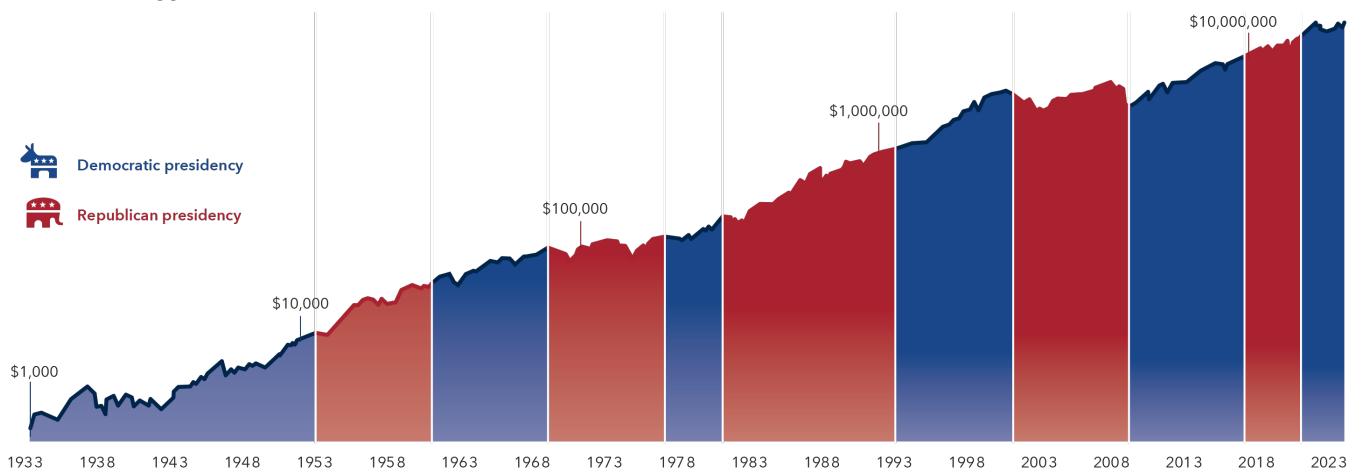
both declines were largely attributed to asset price bubbles rather than politics. Current economic and political challenges may seem unprecedented but a look at past election cycles shows that controversy and uncertainty have surrounded every campaign. In each case the market has continued to be resilient over time. As we are fond of saying, it's not timing the market but time in the market that matters most.

While this information does not predict the future, it does serve as a helpful reminder that markets do not always react to political wins or disappointments in the same way we as individuals do.

The market is bigger than any person, party, or office. It will do what it's going to do no matter who lives in the White House.

Try to remember this when people try to credit or blame the market's performance on the president over the next 4 years.

**Growth of a hypothetical \$1,000 investment in S&P 500 Index**



SOURCES: Capital Group, RIMES, Standard & Poor's. Chart shows the growth of a hypothetical \$1K investment made on March 4, 1933 (the date of Franklin D. Roosevelt's first inauguration) through December 31, 2023. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale. Past results are not predictive of results in future periods.



# UNEARTHING FORGOTTEN TREASURES

## A GUIDE TO FINDING UNREDEEMED SAVINGS BONDS

*by Beth Kepler, Financial Services Professional*

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Many of us are familiar with the good old-fashioned paper savings bonds. Generally, they get tucked away for safekeeping, but over time, they often disappear. According to the Treasury Direct website, there are over \$32 billion in matured unredeemed savings bonds. I know I have one paper savings bond from my grandmother, which she purchased for my high school graduation, in a fire box at home. If there are any others floating out there, I don't have a clue. So, if you're like me, how do you find out if you have any unknown savings bonds with your name on them?

The most logical first step is to scour through old documents, fire boxes, or safe deposit boxes. If coming up dry, Treasury Direct has an online portal called Treasury Hunt. All you do is use one of the search options in the Treasury Hunt tool. You can search by social security number or name. It then tells you whether it finds anything or not. It doesn't tell you exactly what it found. If it thinks there is something out there you can fill out a claim form which you then send in via mail.

If a savings bond is found, you can have it delivered to you in a couple of ways, depending on the type of bond and when it matures.

So, if you want to find out if you have any forgotten treasures, take a couple of minutes, and see what you find in the Treasury Hunt tool!

## CHARITABLE GIVING

Donor Advised Funds (DAFs) and qualified charitable distributions (QCDs) are two common strategies for charitable giving. These provide individuals with

strategic ways to support causes and organizations they care about while offering tax advantages.

Donor advised funds are a separate account an individual sets up through a fiduciary which allows the individual to distribute grants at their convenience to qualified nonprofit organizations. The biggest benefit of a donor advised fund is its tax efficiency. An individual(s) can contribute in a variety of ways: cash, stocks, real estate, etc. to minimize capital gains tax and maximize their charitable deductions...win-win! Any contributions to a donor advised fund are tax deductible in the year they are given to the fund; not as they are distributed. This is not the only option and may not be the option for everyone as it takes some pre-planning and coordination with giving.

Another popular avenue for charitable giving is through qualified charitable distributions. These differ from donor advised funds as a person cannot begin doing qualified charitable distributions until age 70.5 and the funds come from their traditional IRA (pre-tax monies). The benefit of doing qualified charitable distributions is it allows an individual to give directly to a charity without incurring taxation on the distribution. For individuals at an age where they must take a required minimum distribution (RMD), qualified charitable distributions help satisfy that requirement while reducing their taxable income. Qualified charitable distributions are capped at \$105,000 annually per individual. For some, the added bonus of a checkbook adds a sense of freedom to be able to give whenever they want.

Both donor advised funds and qualified charitable distributions allow individuals to leverage their investments in a tax-efficient manner, while supporting organizations and causes they care about.





## ENERGY EFFICIENT HOME IMPROVEMENT CREDITS

by Kaleb Frawley, Financial Advisor

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As spring arrives in Wisconsin, Maggie and I will be breaking ground shortly on a home addition/remodel. Last year, with the addition of Blaise, it was evident that a three-bedroom house was not large enough for a family of six. We plan to add on a three-car garage while converting our existing garage into a mudroom/bathroom/family area and finishing off our basement with a few bedrooms. Hopefully by the time the kids start back at school in the fall the project will be complete.

Throughout the planning process, I have been trying to find ways to save money on the project. Recently I was reminded of the energy-efficient tax credits available since January 1, 2023 through 2032 for existing home improvements. A person can qualify for a tax credit up to \$3,200 and there is no lifetime dollar limit.

The credit equals 30% of certain qualified expenses with a maximum annual credit.

- **Annual total of \$1,200 is allowed for**
  - Exterior doors (\$250 per door and \$500 total)
  - Windows and skylights (\$600)
  - Insulation and air sealing materials or systems.
  - Central air conditioners (\$600)
  - Natural gas, propane, or oil water heaters (\$600)
  - Natural gas, propane, or oil furnaces and hot water boilers. (\$600)
- **\$2,000 per year for qualified heat pumps, biomass stoves or biomass boilers.** This is calculated separately from the other qualified expenses listed above

## IN THE FOOTSTEPS OF ST PAUL

In mid-January, Maggie, Blaise, my sister, and I spent almost 10 days in Greece walking in the footsteps of St. Paul. I came away thinking “Wow, I really don’t know my Acts of Apostles and Epistles,” and there is a lot of history and context to the places of Philippi, Corinth and Thessaloniki. What we most enjoyed about this, as well as our Israel pilgrimage, is we received the complete theological perspective from a Jewish, Christian, and non-believer perspective. Though our pilgrimage leader was Catholic biblical scholar Jeff Cavins, we were led by a Hasidic Jew tour guide with a doctorate degree in ancient Greek mythology. Thus, we were able to place ourselves at these very locations with Paul – a Hasidic Jew himself – and what Paul had to encounter as he spread the message of Christianity throughout the world.



Greece and St. Paul were nice, however Israel and Jesus’ footsteps are indescribable in comparison.



## SKI YA LATER

After 8 years, I finally had to poke the skis back on. Recall, my first and only time ever skiing previously was in early 2016 when I was courting a girl named Maggie. I thought my skiing career was over as “job accomplished.” However, I was wrong. Grace and Jake wanted to show me the ropes. After spending the morning on the bunny hill, 4-year-old Jake told me I was ready to go up the chair lift.

Uneasy as I was, I rode the chairlift up with my father-in-law Roy and received the final tips, “Let’s take it easy and go down Gentle Giant first. Work on your snowplow, turns, and control speed.” When I reached the top of the hill Grace and Jake waved me over. Down the hill we went. By the halfway point, my legs were shaking, and I was out of control. Jake was skiing casually by my side yelling “Slow down Dad. Control your speed. Hands on knees.” By the grace of God, I made it down the hill.

As I was recovering Roy approached me, “What the hell are you doing?” I truly had no idea and was happy to have survived. He continued “I told you to go down Gentle Giant.” I countered “I did.” He fired back “No you didn’t. You went down the black diamond Dynamite.”

Now it made sense why my expected ride down the hill was not so “gentle.” I told him “I was following the kids and they instructed me to follow them.” As I said this Roy glanced at the kids and they scurried off smiling and laughing. Roy looked back “Kaleb, do NOT follow those kids. They are better skiers and are playing with you. Follow me.”

## SILENT RETREAT HIGHLIGHTS

Once again, this year I participated in a silent preached retreat weekend at the Jesuit Retreat House in Oshkosh. If you have not spent any time in silence lately, I highly recommend it (ex. no talking, no technology, no social media). Here were a few of my main takeaways:

- Every decision is based upon a value. Values shape decisions. Corollary, all values need to have structures. A structure hits on time, energy, and real estate. What structures have you created to support your core values?
- People are good problem solvers if they know the goal. The trouble, though, usually lies in identifying the source of problem. Symptom versus side effect.
- If you remove something, you need to replace it with something else. If not, that habit will find its way back into your life. (ex. quit smoking replace with exercising or quit social media replace with prayer).
- The way the devil tempts us is to make BIG PLANS. He knows they are bound to fail. The devil despises small plans because they SUCCEED. For example, Jesus spoke of “small things” like mustard seeds to a grain of wheat.
- You will follow something you KNOW and LOVE. You only get to know God through conversation – prayer.
- Finally, if we were perfect, Jesus could have saved himself a trip.

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## INTRODUCING ALYSSA



Some of you may have recognized a new name at the office... that's me, Alyssa Gander! I'm nineteen, and like the rest of the office, I have lived in small-town WI my

entire life. I'm Terry's niece. You likely saw me in last quarter's newsletter as part of the Jamaican Mission Project.

I'm currently a sophomore enrolled in the online finance program at UW-Whitewater, where I plan to graduate in the Fall of 2025 with a bachelor's degree. I began my education at UW-LaCrosse and transferred this semester. This transition was due to the homebody in me and my financial interests. College is expensive, and moving home allows me to save money while gaining valuable experience working alongside Terry, Kaleb, Joe, Beth, and Jesse.

Outside of school and working at the office, I spend my time helping coach my younger sister's basketball team and working as a waitress and bartender at a local bowling alley. When I am not busy with work, school, or other activities, you will find me with family or enjoying the outdoors. Growing up in a family-owned small business, I have always been interested in the business world. With that and Terry being a mentor of mine, the finance industry quickly became my personal career goal. I have been at the office for about three months now and have enjoyed learning more about the industry. I look forward to working with you all in the future!