



WOW THE MARKETS ARE ON A TEAR



Is It Time To Be More Aggressive?



“How do the year end numbers look?”

The year 2023 has proved to be a comeback year in the markets after a really tough 2022. By the end of November, the S&P500 has posted a total return of 21% for the year, which is well above its long-term average annual return of 10%.

Looking back over the past couple of years, the reason for the drop in stock prices was heavily influenced by the Federal Reserve. The Fed had aggressively raised its benchmark rate 11 times in an effort to cool inflation and slow down borrowing and economic growth. Now that inflation has slowed, the Fed expects to hold rates steady before cutting them later in 2024. Yes, they are actually expecting to cut short-term rates from these levels. Not the news CD investors want

to hear, but for equity investors that may be exactly the kind of announcement that will continue the run up in stock prices into 2024.

So, is it time to be more aggressive with your investments? Well, you should know my answer, if we've been working together for a while. As a financial planner, I try not to time the markets because no one has any idea where the markets will be a year from now. Instead, you should be looking at your own individual financial circumstances. If you have a comfort level for risk and you don't plan to need your investments in the next 5 years or longer, then maybe it is time to notch up the risk to a more aggressive portfolio. It appears that the Fed may have engineered a "soft landing" by avoiding a

potential recession, offering stock investors more confidence that the economy can continue on its path of expansion this year. If you think you would like to reassess your investment risk, give us a call.

January Financial To-Do's



With a new year ahead, this is a great time to do a little financial reflection. Here are a few things you can do to get your 2024 financial house in order.

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I would like to wish all of our readers a HAPPY NEW YEAR as the start of 2024 gets underway. Reflecting back on 2023, I am very thankful for all of our clients that given us the opportunity to serve their retirement, insurance and investment planning needs.

Martin Luther King Jr. Day falls on Monday, January 15th in recognition of the life and legacy of civil rights leader Rev. Dr. Martin Luther King Jr.

From Savannah Court Financial Advisors, we would like to wish you and your family a wonderful 2024 filled with happiness and prosperity!

Respectfully,
Scott Weidman, CFP®





We recently took a trip to Sanibel Island. If you remember, hurricane Ian made a direct impact to that area in 2022 and now Sanibel Island and Fort Meyers Beach is making a resurgence. For all you flip flop wearing, margarita sipping, Jimmy Buffet worshipping Parrotheads out there, the brand new Margaritaville Beach Resort recently had its grand opening. We didn't visit Sanibel for that rea-

son, but I thought it was worth sharing.

This was a little road trip (about 4 ½ hours from Daytona across the State) and would probably make for a nice weekend



getaway. The quaint town of Fort Meyers Beach welcomes visitors with lots of little restaurants, live music and eclectic shopping all within a few steps of the beach. And now the newest addition, the Margaritaville Beach Resort offers guests and visitors a license to chill. If you're looking for a new destination to explore, Fort Meyers Beach may be a great little destination.

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1. **Budget** – yes, the dreaded budget. If you've never done a budget, this task probably seems overwhelming. List your fixed expenses first, like the mortgage payment, car payment, etc. Then list the variable expenses such as the electric and water bill, groceries, etc. Finally, discretionary spending on things like traveling, ATM cash withdrawals and fun things round out the budget. Try to be cognizant of your spending, using your budget as a road map. Hopefully your income

exceeds what you're planning to spend, otherwise you may need to take a closer look at your cash flow.

2. **Increase Retirement Savings** – For 2024 the maximum 401k contribution is \$23,000 with an additional catch up of \$7,500 if you're 50 or older. IRA's and Roth IRA's have a maximum contribution amount of \$7,000 with a catch up of an additional \$1,000.

3. **Rebalance Your Investments** – Some things may have gone up

last year and some things may have gone down. Rebalancing, takes some of the gains from your winners and reinvests the proceeds into the assets that have not done as well. Remember, your worst performers last year, could very well be, your best performers this year as things tend to return to their mean.



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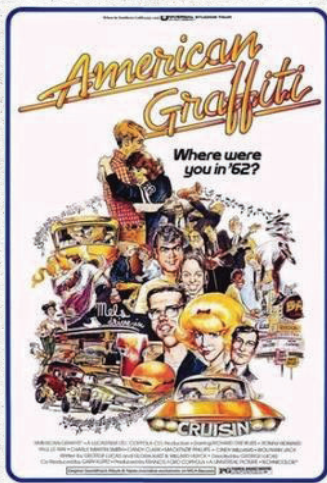
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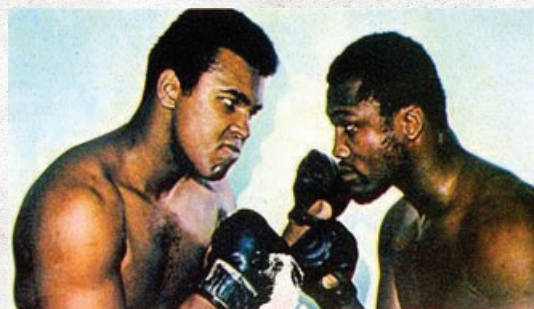
Phone: 386-308-5842
 Fax: 866-840-3866
 Mobile: 386-299-2893
 Email: scott.weidman@jwcemail.com
 157 Fairview Avenue
 Daytona Beach, FL 32114
 Mon-Fri: 9:00 AM - 5:00 PM
 Evenings and Saturdays available by appointment.



Flashback 50 Years Ago This Month



January 26th at the 31st Golden Globe Awards, "The Exorcist" won best drama, while "American Graffiti" won Best Comedy or Musical.



On January 28th, 1974 the rematch of former heavyweight boxing champions, Muhammad Ali and Joe Frazier took place at Madison Square Garden in New York City. Ali won by a unanimous decision after a grueling 12 rounds.

January 15th, 1974 the beloved US sitcom Happy Days starring Ron Howard and Henry Winkler debuted on ABC cementing the Fonz into American Pop Culture.



January 1974, the first SSI benefits (Supplemental Security Income) checks were mailed to impoverished person who had been unable to

work due to disability but who did not qualify for Social Security Disability.

FRS Questions?
Call Scott
386.299.2893

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Financial Tip Of The Month

The Underutilized Step Up In Basis

If you have a mutual fund or brokerage account (not inside of an IRA or 401k) with a long-term capital gain (assets held over 1 year) a sale may trigger no tax and you get to reset your after-tax cost basis higher!

Here's how it works. If your total taxable income (including the gains of the sale of taxable investments such as mutual funds, stock or real estate) is \$47,025 for individuals and \$94,050 for married filers or under, the long-term capital gains rate is 0%. Let's look at an example. Mr. and Mrs. Jones have income totaling \$50,000. After they get to apply their standard deduction of \$29,200 that reduces their taxable income to just \$20,800. That means they could sell a mutual fund or stock with up to a \$30,200 long-term capital gain and pay no tax on the sale and immediately reinvest back into that investment and better yet, increase their cost basis to the current value of the sale! I know it's confusing and if you would like to see if you can benefit from this strategy give us a call. We can work with your accountant to make sure you're not missing any tax planning opportunities!

<https://www.morningstar.com/news/marketwatch/20231111223/heads-up-investors-capital-gains-tax-rules-for-2024-are-here>



Idiom Of The Month

“Start with A Clean Slate”



With January comes new beginnings and a fresh start to the new year. The saying “To Start with a Clean Slate” comes from the days when school children

in the 1800’s wrote on slate chalkboards. The meaning references getting a second chance to start over again. Like, I blew all my savings

last year on frivolous spending, but now I get to “Start with a Clean Slate” in 2024. And now you know!

