



## **A Message From Mary Sterk**

Happy New Year from Sterk Financial! In our neck of the woods 2024 is off to a blustery winter start. Here are a few economic observations from last year:

- Market returns were broadly positive for 2023 thanks to the end of the year rally. We saw the year close with a positive DOW performance of 16.18% - a welcome shift from the prior year. \*
- It is the Magnificent Seven's market. Seven stocks now have swelled to represent around 30% of the S&P 500's market value. These include Apple, Tesla, Microsoft, Google, Nvidia, Meta and Amazon. These stocks led the way much of the year and fed the tech stock rebound.
- Inflation seems to be getting under control and the Fed is now talking about potential rate drops for 2024.
- The bond market has started a bit of a comeback, with the Bloomberg US Aggregate Bond Index returning 5.53%. \* We anticipate that steady and/or declining interest rates will help this along.

What may impact markets in 2024? Well as we are seeing with every other commercial on TV right now, it is election time. If we look at the S&P 500 returns over the last eight decades of presidential elections, the average full election year return has been 10.7%. \*\* Of course, past performance does not guarantee future results, however it does give us something to potentially look forward to.

Couple of housekeeping items:

1. If you are making annual or monthly contributions to an IRA of any type, you can now increase it for 2023 levels. If under age 50 the limit is \$7,000 and if over is \$8,000. Please let us know if you want to make any increases.
2. Don't forget that our Broker-Dealer is changing its name from Woodbury Financial to Osaic. This will finalize January 22.
3. Each year as we prepare for tax season people begin to wonder when they will get their investment account tax forms and if they have received them all. We sometimes find that people get their taxes done, only to find out that they were missing a piece! Investment companies must receive information from issuers or trustees of certain holdings to prepare a final tax form, and sometimes that can cause delays. *To aid you in your tax preparation, I have included a full schedule of a timeline when you can expect to receive your tax statement.*

Around the home office we had big news. We are so happy to share that financial advisor Jordan Ireland has joined our team, melding her practice into Sterk Financial. Jordan has over 15 years of experience after taking over from her father, a veteran in the industry. Welcome Jordan!

We also will soon be celebrating our 20th Year Anniversary! February 16th marks the big day. It is hard to believe that 20 years have gone by – it seems like just yesterday I opened the doors to start this new adventure! Mark your calendars for a celebration when the weather is a bit better – we are having a big party to celebrate on April 19th!

Finally, do not forget the investment advice that remains tried and true. We want to buy low and sell high. The period that you intend to use your money should drive your portfolio risk levels. We continue to review portfolio quality and holdings every single quarter, ensuring that you are positioned effectively for your risk levels. Feel free to reach out at any time to review things.

**Tax Information:** 1099's will be issued by mid-February for most companies. If your account holds more complex funds or alternatives, it may be mid-March before you receive a final one. We understand this can be frustrating for early tax filers. Please call us after Feb 15th if you are questioning whether you have what you need or to see if you can get an estimated tax form in the interim. We are happy to do everything we can to help.

**Phase 1: Around January 31** - Forms 1099 will be mailed for retirement accounts that have had distributions, and for non-qualified accounts that typically do not require additional information from the issuers. Generally, this includes accounts holding individual stock and bonds.

**Phase 2: Around February 15** - This mailing is for accounts with mutual funds, real estate investment trusts (REITs) and certain stocks where the issuer has provided their final tax information after the January 31st mailing was prepared. Also, pending 1099 notices will be mailed for accounts that are still awaiting data. The notice will list the impacted holdings and indicate the possible mail date of your final 1099. If you did not get one in the January 31 mailing, you are likely to get a final or pending one by this date.

**Phase 3: Around February 28** – This mailing will occur for accounts that have received previously pending tax information.

**Phase 4: Around March 15** – This mailing will occur for all remaining accounts, regardless of whether pending information has been received from issuers.

If you have a REIT investment, you will need both the 1099 from Pershing and the 1099 from the REIT company for your tax preparer. If you have done a transfer of some type between retirement accounts, you should receive a 5498 form around the end of May (this is informational only and is NOT needed to file your income taxes).

P.S. Looking to make some strong New Year's Financial Resolutions? Take a listen here:  
<https://www.youtube.com/watch?v=4ETBAMC35wM>