

My Views from Wall St. to Center St.

“I want to put You first above all else, love my neighbor as myself, in the moments no one sees, Lord help me be a little more like Jesus, a little less like me.”
~ Zach Williams

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Personal Notes

First, I want to say a heartfelt thank you to the B&H Family for all the support, concern, and genuine joy I received from many of you after learning of my salvation last year on Palm Sunday. I'm happy to report that my relationship with God grows stronger each day. I start each day with meditation and prayer. I pray during the day before I make decisions and recommendations for each of you. I pray before bed thanking God for all the blessings he provided today and the ones he will bestow on me tomorrow, not because I deserve them, but because he is great and he is my Father. I view everything I do through the lens of Christ. This transformation is making me a better person, a better father, a better friend, and yes, a better financial advisor.

My journey in faith has just begun and even at age 64, so has my leadership of B&H. I'm so excited about the future of B&H as a Christ-centered organization. So while I've been a highly competent financial advisor, I believe I can become the very best financial advisor I can be, because I have the ultimate advisor advising me...God.

The firm is thriving I am excited about the future. Neither me, Sherry, or Nancy are going anywhere, but 1402 E. Center St. will continue to serve your needs and help the firm begin this journey of season 58 or our story and that includes you.

We also have our youthful weapons in the firm adding to our bright and exciting future. First there is Jake and he is doing so much to help me and the firm function and thrive. He was thrown into a difficult situation with my loss of vision. Not easy in the workplace on a son. Difficult waters to navigate and he has performed remarkably well both as an assistant financial advisor and as a son. I could not be more proud of him as a leader or as a father.

Nor could I be more proud of my entire team and that includes a lot of people that are not employed at B&H, but are important pieces to our operation behind the scene.

One of those people is Billy Hopkins. You may recognize that name. Billy is the owner/president of Silver Oak Securities. His name is on various correspondence you receive. The ones that from time to time cause you to make a call and ask, "Who is this?", and we explain that Silver Oak is our Broker Dealer and then we explain what that means. Silver Oak Securities is an independent Broker Dealer – financial advisory firms must be associated with a Broker Dealer to conduct business in the securities industry. Silver Oak is a partner with B&H that provides critical functions behind the scenes such as: compliance, securities and insured products, money managers like Aptus, technology, and more.

But Billy Hopkins is much more than that. We are friends and our journey together has led us from discussing business, financial and family planning, markets, politics, health, exercise & diet, Tennessee athletics, music and most recently, you guessed it, Faith. It turns out that unbeknownst to us, we both decided we didn't need alcohol in our lives, but we did need God. It was early last spring when we made these decisions. We were having one of our regular conversations when I revealed that I had made a decision to turn my life over to Christ and he revealed that he had made the same decision. Our reasons may seem different... my blindness, loss, to name the biggies. Billy's were not specific catastrophic things, but raising his 3 children in today's world in Nashville without a true belief in God was enough. But, if you look deeper, we both, as many are, trying to be the best versions of ourselves we can be and aim at the highest.

Over the next several months of conversations we shared ideas about how to better align ourselves in our business with our current focus of the integration of Health & Wealth to add a Spiritual component to be at the center of our message. So this letter is the announcement of our intentions to make the world a better place than how we found it for our kids and grandkids. This is something our Dads told us many years ago. It is something I never have forgotten, although I was falling short until last Spring, but I vow now to try to be my best to please my Dad and the Lord. I will strive to make the world in which I reside a better place until the day I die an earthly death and my spirit goes to paradise for eternity. Our beliefs are in alignment and it's going to be a great adventure.

So here are a few ways we have planned to communicate this message to our clients, families, friends, community, and yes the world if they tune in because we will be using new forms of media and technology such as podcasts, that you can watch on our YouTube channel – [B&H Wealth Strategies](#), along with our website and facebook, etc. We are planning to record our first podcast on March 6th and we will let everyone know when it will air. We are all so excited about this opportunity to discuss such things as money, politics, and religion. While these topics are generally considered to be off limits at family gatherings, or with groups of friends, we will discuss these topics freely with open minds to attempt to discover and tell the truth. I'm optimistic of the future both at B&H, America, and the world. I believe a revival is coming and we want to participate.

Another partner of our firm is Aptus Capital. This is a name you may recognize. You have Aptus Funds in your portfolio, but they play a much larger role than that in your portfolios. They bring a level of expertise to you that is as robust as you might expect at Blackrock or Vanguard, but unlike those mega money managers we have an intimate collaboration with them in the tailored design of your portfolios. They have a team of highly qualified professionals that are dedicated to work on your behalf to help ensure your portfolio matches your needs for return and safety. In addition to that they are just nice people to work with and David Wagner, CFA is a frequent guest on CNBC's Power Lunch, so if you want to check him out we can provide a calendar of his upcoming appearances.

I want to close these Personal Notes by acknowledging my girls, Jessica & Julianna, both of whom graduated last year. Jessica from King College and Julianna from Dobyns-Bennett. You can find Jessica working side by side with her mother at Berry's Pharmacy. In addition to that Jessica is getting married this October in Cascade National Park in Washington state, 2,700 miles from Kingsport. She is marrying Taylor Richesin, a young man we have known almost 10 years, when we took him in after he hit a rough patch and was dating my daughter. He has stuck around and grown into a fine young man. I'm proud and honored to welcome him into our family and call him my son-in-law.

Julianna just finished her first semester at The University of Tennessee and has begun her 2nd semester. She is thriving so far in the college experience and is growing into a young adult with wisdom that at times astonishes me; then there are times when I'm reminded of how challenging it is to go from being a kid, to being a grownup. But as she has shown she can do since she was born, she is growing into her next season of life with poise, humility, and curiosity.

I'm so proud of my children as they each become their own person and find their own adventure through life. God has blessed my family and B&H with many gifts and we are expected and it is our privilege to share these gifts. The future is bright!

A blockbuster year that wasn't supposed to happen

Last month, we discussed some of the hazards that Wall Street analysts may encounter when forecasting market returns.

On average, strategists predicted roughly a 2% decline for the S&P 500 Index in 2023, according to Bloomberg.

When those who are given such a task, encounter difficulties, we are hesitant to provide any predictions regarding the stock market.

When the final returns were tallied, 2023 turned out to be a banner year, surprising nearly everyone.

Key Index Returns		
Index	MTD %	YTD %
Dow Jones Industrial Average	4.8	13.8
Nasdaq Composite	5.5	43.4
S&P 500 Index	4.4	24.2
Russell 2000 Index	12.1	15.1
MSCI World ex-U.S.A*	5.4	14.8
MSCI Emerging Markets*	3.7	7.0
Bloomberg Barclays U.S. Aggregate Bond TR USD	3.8	5.5

Source: Wall Street Journal, MSCI.com, Bloomberg, MarketWatch

MTD returns: November 30, 2023–December 29, 2023

YTD returns: December 30, 2022–December 29, 2023

*U.S.D.

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Disciplined investors 1, Analysts 0

Strategists came up short, allowing the patient, disciplined, and long-term approach to take top honors.

Why did the market have a strong year? Let's discuss three factors.

1. As 2023 got underway, the prevalent view on Wall Street and many economists was that a recession was inevitable.

Economists have always struggled to pinpoint turning points in an economic cycle. In most cases, recessions sneak up on us.

Last year, we observed the opposite. The loud din of recession calls failed to hit the mark. The miss was probably the biggest economic story of the year, especially for the millions of Americans who would have been thrown out of work.

2. As the rate of inflation began to slow, the Federal Reserve, which had slammed on the monetary brakes in 2022, eased up.

In 2022, the Fed raised the fed funds rate by 4.25 percentage points, according to St. Louis Federal Reserve data. It was the fastest pace of rate hikes since 1980. The pace slowed to one percentage point in 2023, reducing a stiff headwind for stocks.

By December, the Federal Reserve had effectively shifted its stance and is now openly discussing potential interest rate cuts in the coming year. Of course, forecasts can change, but the shift fueled the market's advance into the end of the year.

While the S&P 500 Index ended 2023 just shy of its all-time early 2022 high, the smaller but better-known Dow Jones Industrials eclipsed its all-time high in December.

3. One other variable helped fuel last year's rise: the emergence of artificial intelligence, which is putting advanced programs into the hands of Main Street. The technology is in its infancy, but the potential is enormous, and cash began pouring into investments that could someday yield big dividends. Bottom line, the tech-heavy Nasdaq Composite posted a gain of over 40%. The [same winners on the Nasdaq](#) also powered gains in the S&P 500 Index.

Peering into 2024

Expect surprises. No one can accurately see into the future. As we saw in 2023, expect the unexpected.

We believe that having a diversified portfolio is the best way to protect yourself against market volatility and achieve your financial objectives. While it won't completely shelter you from market pullbacks, it has historically proven to be a strong strategy that can help you reach your financial goals.

Although volatility can be unsettling, it is often temporary, as demonstrated by the failure of Silicon Valley Bank last year and, so far, the ongoing war in the Middle East.

If we were to take a stab at issues on the front burner, we'd start with the economy.

If inflation continues to slow down, it will take pressure off the Federal Reserve, and rate cuts could come sooner rather than later.

Investors are currently betting on the soft-landing scenario. In this scenario, pricing pressure eases while economic growth slows down slightly, avoiding a big hit to corporate profits. This scenario helped drive stocks last year.

While the Fed didn't reduce rates in 2023, the year followed a similar pattern to 1985, 1995, and 2019, when the Fed was able to engineer a soft landing, and stocks performed quite well.

But, if economic growth slows too much, stalls, or a recession ensues, i.e., the hard-landing scenario, any tailwinds from a faster pace of rate cuts might easily be offset by weak corporate profits, as we have seen in the past.

Rate cuts in 1974, 1990, 2001, and 2008 failed to prevent a slide in stocks until investors anticipated an economic upturn.

In other words, rate cuts that occur because the Fed "can," not because they "must," is the more preferred path, in our view.

In Closing

We believe as we begin 2024, that we are living simultaneously in the "best" & "worst" of times. On one hand we enjoy living in the most powerful nation in the history of the world, both economically and militarily. We have the conveniences that our parents and grandparents could not have imagined through technology and much of that technology resides on devices we carry in our pocket. Truly amazing!

However, it makes us “lazy.” It has caused us to isolate ourselves from one another, a strange form of self-imposed solitary confinement, which is a form of severe punishment in prison, yet voluntarily to ourselves. We live in a virtual world of Facebook where we post how great things are or we post our grievances and condemnation on X (formerly Twitter) and we act in such a “mean spirited” way that we would never do face to face. This kind of discourse and apathy has brought our country to a division we have not witnessed since the 1960’s or maybe not since the 1860’s.

But we are optimistic for the future of our community, state, America, and even the world. We believe there is an awakening taking place, a revival if you will. We know the B&H Family is taking part and it is our mission to awaken our neighbors, our community, our state, and the nation. This is how we make sure this great country is not going to fall like other great empires of the past but continue to be, as stated by President Reagan in his farewell address to the nation in 1989, ‘The shining city on the hill, a beacon of hope for the rest of the world to model.’ So, let’s “Wake up” this country, and start the revival.

I trust you have found this review to be informative. If you have any inquiries or wish to discuss any other matters, please don’t hesitate to contact me or any team member.

Keep the Faith & God Bless America,

Jeff

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