

INSIGHTS

DID YOU KNOW?

Only 28% of American households have a written financial plan.

(Source: Schwab)

Creating and sticking to a financial plan increases wealth 2.7x.

(Source: Schwab)

The Importance of Rebalancing

After a trying 2022 for financial markets, halfway through 2023 the S&P 500 is off to the 13th best start since 1928. Watching your portfolio's returns go up and down can be an emotionally draining experience. Rebalancing to a predetermined, diversified asset mix can take some worry away. When you maintain the appropriate asset allocation, it can serve as a buffer against extreme swings in the market. As a result, you can feel more confident about your portfolio.

The chart below illustrates the point. Looking to the rightmost column of the chart, clearly the 60% stock, 40% bond (60/40) portfolio does not provide the highest long-term return. But over time, it emerges as being among the top few outperformers.

Historically, in a 60/40 portfolio, when the stock portion wasn't performing so well, the bond portion typically remained relatively stable. This diversification benefit means that bonds may provide some cushion to your portfolio.

Indeed, you can notice in the chart that the 60/40 portfolio doesn't seem to bounce around as much. Many investors feel it's worth it to accept lower returns in return for a reduced exposure to risk and instability.

Let's say you had two hypothetical portfolios, each consisting of 50% stocks and 50% bonds. One of them you rebalanced regularly. The other you allowed to "drift," by not rebalancing. Over the course of 30 years, the rebalanced portfolio would have nearly 30% less median volatility than the untended one¹. For people close to their financial goals or who just don't like risk, this can be meaningful.

¹Yan Zilbering, Colleen M. Jaconetti, and Francis M. Kinniry Jr., 2015. Best practices for portfolio rebalancing. Valley Forge, Pa.: The Vanguard Group.

Annual returns by asset class, from the highest to the lowest, 2012 - 2021

	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	AVG.
EM equities	18.2%	US equities 33.5%	REITs 30.1%	REITs 3.2%	US equities 12.7%	EM equities 31.1%	Global bonds 31.1%	US equities 30.8%	US equities 21.0%	REITs 43.2%	Comm. 13.8%	EM equities 4.3%
REITs	18.1%	Global stocks 15.8%	US equities 12.6%	Global bonds 1.3%	EM equities 11.8%	Global stocks 27.4%	Cash 1.9%	REITs 26.0%	EM equities 15.5%	Comm. 27.1%	Cash 1.5%	REITs 9.1%
Global stocks	17.0%	60/40 15.4%	Global bonds 9.1%	US bonds 0.4%	Comm. 11.4%	US equities 21.2%	US bonds -0.1%	Global stocks 21.8%	60/40 13.0%	US equities 25.7%	Global bonds -12.7%	US equities 13.6%
US equities	16.4%	REITs 2.5%	60/40 6.5%	US equities 0.4%	REITs 8.5%	60/40 15.5%	REITs -4.6%	EM equities 20.4%	Global stocks 11.2%	60/40 10.7%	US bonds -13.1%	Global stocks 6.2%
60/40	12.0%	Global bonds 1.3%	US bonds 5.9%	Cash 0.0%	60/40 7.1%	REITs 5.2%	60/40 -5.0%	60/40 19.8%	US bonds 7.7%	Global stocks 8.8%	60/40 -16.1%	60/40 7.1%
Global bonds	6.5%	Cash 0.1%	EM equities 1.2%	60/40 -0.6%	Global bonds 4.9%	US bonds 3.6%	US equities -5.2%	US bonds 8.9%	Global bonds 4.7%	EM equities 1.5%	Global stocks -16.1%	US bonds 1.5%
US bonds	4.3%	US bonds -2.0%	Cash 0.0%	Global stocks -4.3%	Global stocks 4.7%	Global bonds 2.6%	Comm. -13.0%	Global bonds 8.1%	Cash 0.6%	Cash 0.0%	EM equities -17.6%	Global bonds 2.4%
Cash	0.1%	EM equities -4.3%	Global stocks -3.4%	EM equities -15.4%	US bonds 2.8%	Cash 0.8%	Global stocks -14.6%	Comm. 5.4%	Comm. -3.5%	US bonds -1.6%	US equities -19.5%	Comm. -1.0%
Comm.	-1.1%	Comm. -9.6%	Comm. -17.0%	Comm. -24.7%	Cash 0.3%	Comm. 0.7%	EM equities -14.8%	Cash 2.3%	REITs -8.0%	Global bonds -2.1%	REITs -24.5%	Cash 0.7%

Legend: U.S. equities (green), 60% equities/40% bonds (light green), Cash investments (yellow), Global stocks (dark green), Global bonds (blue), REITs (grey), Emerging markets equities (light blue), U.S. bonds (dark blue), Commodities (white). Source: Vanguard, as of December 31, 2022

INDEX	TOTAL RETURNS %		
	Q2 2023	YTD	1-YR
S&P 500	8.74%	16.88%	19.56%
MSCI World ex US	3.27%	11.78%	18.20%
Dow Jones	3.97%	4.94%	14.23%
BBG BARC Agg Bond	-0.84%	2.09%	-0.94%

*as of 06.30.2023



Tina Martin promoted to Vice President & Financial Advisory Group Operations Manager

Springs Valley Bank & Trust Company recently promoted Tina Martin to Vice President in addition to her current role as Financial Advisory Group Operations Manager.

Tina joined Springs Valley in 2013 as a Trust Operations Specialist. She was promoted to Client Advisor in 2018 and transitioned into her current role later that year.

"I am honored to receive this promotion. I am thankful to work at a company like Springs Valley, where employees are valued and opportunities for growth are given," said Tina. "I am fortunate to work with a team of individuals who are passionate about their work and enhancing the financial quality of life for our clients."

Tina is a graduate of Heritage Hills High School and the University of Southern Indiana. She received a Bachelor of Science degree in finance with a minor in economics. She has held the designation as an Accredited Trust Operations Professional (ATOP®) since 2015. In 2022, she completed Cannon Financial Institute's Securities Operations School, earning the Certified Trust Operations Professional (CTOP®) designation.

Tina and her husband, Kevin, reside in Dubois County. They have three children: Christian Motteler, Cheyanne

Motteler, and Calista Martin.

Tina volunteers with Junior Achievement and serves as a CASA for Dubois County. She is a 2018 graduate of the Dubois County Leadership Academy. Tina enjoys traveling in her free time.

"Part of what makes Tina such a valuable team member for the Financial Advisory Group is her passion for improving her financial knowledge which she shares with her team members, challenging them to continuously improve their financial knowledge.," said Martin Kaiser, SEVP & Financial Advisory Group Manager. "Tina is not just a manager, but a working manager who has done, and will do, the tasks she asks her team to complete."



Patrick Sander joins Springs Valley as an Investment Portfolio Analyst with the Financial Advisory Group

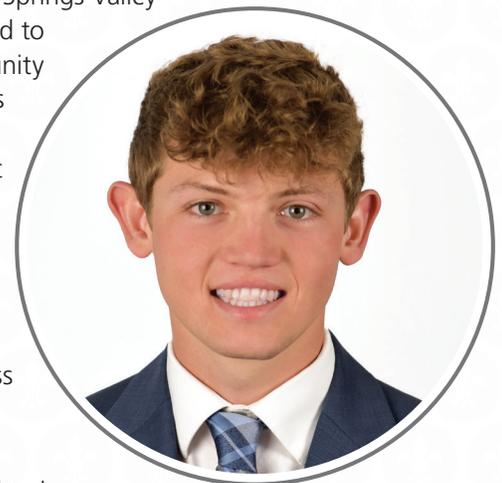
Springs Valley Bank & Trust Company is excited to welcome back Patrick Sander as an Investment Portfolio Analyst. Patrick spent the summer of 2021 as an Investment Analyst Intern with the Financial Advisory Group. Patrick will now be working directly with the Financial Advisory Group managing portfolios, financial planning, and investment research.

Patrick graduated from Southridge High School in 2019. He went on to graduate from Indiana University Kelley School of Business with a bachelor's degree in finance and real estate. At Indiana University, Patrick was a member of the Real Estate Club. At Southridge, Patrick was involved in Business Professionals of America, National Honors Society, Fellowship of Christian Athletes and a member of the Wrestling, Baseball and Football teams.

Patrick is the son of Ron and Lynn Sander. He is a member at St. Mary's Church. He has served on three different week-long mission trips and was a Youth Group member throughout high school. Some of his hobbies include playing guitar, riding dirt bikes, hiking, and fishing.

"I am excited to join Springs Valley with my new role and to return to the community where I grew up. It is a privilege to give back to the area that has helped me get where I am today." said Patrick. "I am looking forward to working alongside a great team to address our clients' unique needs!"

"We are very excited to have Patrick join us full-time," noted Darek Turpin, AVP & Financial Advisory Group Portfolio Manager. "Patrick is a smart and personable young man that will help us deliver on our brand promise."



Tyson Lawson joins Springs Valley as an Account Administrator with the Financial Advisory Group

Springs Valley Bank & Trust Company is excited to welcome Tyson Lawson as an Account Administrator.

Tyson graduated from Paoli Jr. Sr. High School and went on to be a 2023 Indiana University Kelley School of Business graduate with a major in finance.

Tyson is the son of Jenny and Steve Lawson, and has one sister, Karington Lawson. He is a member at Paoli Wesleyan Church.

"I am extremely grateful for the opportunity to work at Springs Valley Bank & Trust." said Tyson. "I am eager to be a part of such a dedicated and hardworking team!"

"We are fortunate to find a person of Tyson's caliber to join our team." noted Marty Kaiser, SEVP & Financial Advisory Group Manager. "His IU Kelley School of Business education and growing up in Orange County will help him hit the ground running."



1,232 Accounts \$726 Million in Assets
100% Dedicated to YOU

*numbers as of June 30, 2023

Put Your Plan in Motion

Springs Valley Financial Advisory Group does not take a one size fits all approach. Everyone is different. We think everyone's plan should reflect that. Bridge the gap of your assets and goals with a comprehensive financial plan. Partner with us to create your road map to success with actionable steps while keeping an eye on the future. We want to spend time meeting with you to gain an understanding of your needs, wants, and dreams.

We work together to create a plan that considers:

- Your current financial situation and future financial needs
- Your investment objectives and risk tolerances
- Your goals and the priority of obtaining them
- The legacy you will leave

Rest easy knowing your wealth is in the best possible hands.

Partner with the holistic Financial Advisors at Springs Valley Bank & Trust. The services you want with the local, expert attention you deserve. Through uncertain times and transition periods, the Financial Advisory Group at Springs Valley is here to help.

SERVICES OFFERED:

- Financial Planning
- Retirement Accounts & Employee Benefit Plans
- Investment Management
- Estate Planning & Administrative Services
- Individual Trust
- Annuities

Visit any Springs Valley Banking Center or call **800.843.4947** to set an **in-person or virtual meeting** with a Springs Valley Financial Advisor.

Sincerely, *Springs Valley Financial Advisory Group*

YOUR PARTNERS FINANCIALLY.
 WE'LL GET YOU THERE.



Investment and Insurance Products: Are not FDIC insured, Are not guaranteed, May lose value, Are not insured by any federal government agency, Are not a bank deposit. Terms and conditions may apply. Subject to change without notice.



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