RSF

THE RSF REPORT

RSF | An Independent Firm January 2026

STRENGTH VERSUS STRENGTH

By Kaleb Frawley, Financial Advisor

A year ago this month, Maggie and I attended a couple's silent retreat weekend. As we met with an old Jesuit for a counseling session, he was overjoyed to hear we had a "bunch of kids" because their chaos would help offset our driven, planning nature. Toward the end of the conversation, Maggie spoke up, saying "I'd rather have an extra hour of Kaleb's time every night before supper and afterwards playing with the kids than $1,000 more in our bank account. Actually, as a start I'd take 30 minutes or even if he'd just come home on time as promised." Wake up call. Two by four across the nose.

Arthur Brooks' is a Harvard professor who teaches a class on happiness. In his book Strength to Strength, he suggests a person aged in his late 30s/early 40s is at a critical time for happiness because it's when people should shift from chasing external success (money, power, fame) to finding deeper meaning. He calls it the transition from fluid intelligence (ability to solve new problems, work hard and be inventive) to crystalized intelligence (wisdom, knowledge and experience).

An industry coach recently told us if we want to maximize our business' value we need to grow by 50 households (20% increase from our existing 250 households) and raise our fees by 40% (our average flat fee equates to 0.57% versus an industry peer group of 0.79%). This feedback comes at a time when Maggie is expecting our fifth child on April 15th and she reaffirms our fateful Jesuit conversation. After hearing this financial planning coach's feedback, I recalled Brooks' satisfaction formula:

Satisfaction = What You Have ÷ What You Want

"The secret to satisfaction is not to increase our haves—that will never work (or at least, it will never last)," Brooks writes. "That is the treadmill formula, not the satisfaction formula. The secret is to manage our wants. By managing what we want instead of what we have, we give ourselves a chance to lead more satisfied lives." Successful people go from "adding to subtracting."

Like a gardener must prune a rosebush, so do we with items in our personal and professional lives. Subtraction leads to satisfaction. In the months ahead of baby #5's arrival, as a recovering striver, I intend to focus on the necessary changes needing to occur in my life which will lead to greater marriage and family satisfaction, and, as a result, personal happiness. As C.S. Lewis said "Put first things first and second things are thrown in. Put second things first and you lose both first and second things."

2025 Index Returns (Year-to-Date)

Major Stock Indices (As of 12/31/2025)		Major Bond Indices (As of 12/31/2025)	
S&P 500	+17.09%	U.S. Aggregate Bond Index	+7.46%
Dow Jones Industrial	+14.62%	U.S. High Yield Bond Index	+8.47%
Nasdaq	+19.78%	U.S. Government—Long	+5.94%
MSCI World ex USA	+27.57%	Consumer Price Index	+2.83%

**Source: BlackRock*

EMPATHY ABOUNDS THROUGH ALL CHALLENGES

by Terry Sebranek, Financial Advisor

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For the past few years, my newsletter article at this time of year has reflected on our mission trip and volunteer service in Jamaica. This year was different.

On October 28, Jamaica was struck by a Category 5 hurricane that passed directly over the orphanage where our friends and family have served for the past ten years. The rain and winds were fierce. Roads were closed, landslides cut off aid, and many communities were left without power or water.

The dedicated staff at Blessed Assurance Children's Home, outside of Montego Bay, did everything possible to keep the residents safe. All 33 residents—most of them in wheelchairs—were moved to a second-floor room in the mission house, the highest building on the property.

There, they prayed together for hours while cottages and other buildings were submerged by floodwaters. After several days without contact, a priest and a brother from Mustard Seed Communities drove as far as they could, then walked and bushwacked nine miles through hurricane debris. They found all 33 residents alive and safe.

Our mission trip, which was scheduled to take 27 volunteers, could not take place this year. The airport and hotels were closed, and with limited electricity and water across the island, it was simply not safe to travel. In response, our dear friends and mission team leader and his wife, Dr. Bryan and Nichole Myers, immediately acted and organized a large-scale relief effort.

For two weeks, donations poured in from our community and from supporters as far away as Canada. Together, we filled a 20-foot shipping container with 12 generators, 22 mattresses, 100 sheets of roofing steel, 2,181 pounds of nails and screws, more than a ton of food, cleaning supplies, clothing, shoes, and 3,000 diapers for children and adults.

We were truly humbled by the generosity of friends, families, and neighbors. Individuals who were facing challenges of their own showed up with vanloads of towels, bedding, and food. Local businesses sold supplies at cost—or less—and volunteers with wreckers, skid steers, and trailers offered their help without hesitation. The container, filled to the brim, was transported to Chicago, shipped by rail to New York, and then sent by sea to Jamaica. From the port, it was hauled into the hills and opened to support the orphanage and surrounding communities that had been living without running water or electricity for months.

To those who donated, expressed concern, or simply asked how our friends were doing—thank you from the bottom of my heart. In giving, we receive. As we have been blessed with the ability to work hard, we are also blessed with the opportunity to share with those in need. Our hope is to assemble a team later this winter to return to Jamaica and help rebuild what the storm destroyed.

(see pictures of damages on page 7)

HOLIDAY REFLECTIONS

by Joseph Brown, Financial Advisor

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The holiday season has a way of bringing emotions to the surface—feelings that often stay buried during the rest of the year. In movies and television, this time of year is romanticized (and for good reason—it really can be the most wonderful time of the year). But for many, the holidays aren't always cheerful or simple. For those who have lost loved ones or experienced significant life changes, the season can carry real weight. While it highlights what we're grateful for, it can also remind us of what's missing—and how quickly time seems to move.

This year, that perspective feels especially clear to me as I experience it through two very different lenses.

The first, is one of my grandmother's—a widow who will soon turn 98. Her house, once overflowing with the noise and chaos of nine children and their families, sat nearly silent this Thanksgiving. Much to her chagrin, it was decided that she should no longer host due to her age and the stress involved. She made her case. Repeatedly. But this year was different. Her home was not filled with grandchildren and great-grandchildren running through the halls or rooms echoing with laughter.

The second lens is that of our five-year-old Allison, who is overflowing with excitement and "holiday cheer." The lights, the music, the anticipation, all of it adds to the magic of Christmas. She's fully present and immersed in excitement, which reminds us how much meaning is in life's simplest moments.

Standing between these two perspectives, the wide-eyed wonder of a child and the quiet strength of a life nearly a century long—has given me a deeper understanding of what we're really managing in life. It isn't just money. It's time. It's responsibility. It's relationships—and the people entrusted to us along the way.

We spend plenty of time talking about financial plans, projections, and decisions that stretch years—or decades—into the future. But the purpose of planning isn't perfection or control. It's margin. It's flexibility. It's the ability to show up, to be present, and to care for the people we love when it matters most.

This year has been a reminder of how unpredictable life can be. People can be here one moment and gone the next. So this season—even if it looks different than years past—cherish the moments you do have. Appreciate family, whether by blood or by choice. Be generous with your time, your effort, and your attention. These moments don't return once they're gone.

I want to leave you with this:

Remain joyful. Teach your children—and remind yourself—that having the best isn't necessary. Making the best of what you have brings peace. Prioritize memories over material things. Choose simple traditions, shared meals, and unhurried moments over excess.

TRUMP ACCOUNTS

A NEW ERA OF CHILDHOOD WEALTH BUILDING

by Beth Kepler, Financial Services Professional

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A sweeping new initiative called Trump Accounts are poised to reshape how American families save for their children's future. Introduced under the *One Big Beautiful Bill Act* and signed into law earlier this year, the program offers tax-advantaged investment accounts for children, starting from birth. The goal? To give every child a financial head start and promote long-term savings habits.

How It Works for Children Born 2025–2028
Children born between January 1, 2025, and December 31, 2028, who are U.S. citizens, qualify for a one-time $1,000 seed contribution from the federal government. Beginning July 4, 2026, families can contribute up to $5,000 annually, with employers allowed to add up to $2,500 of that amount. Contributions are invested in low-cost U.S. stock index funds, and withdrawals are restricted until the child turns 18, at which point the account functions like a traditional IRA.

How It Works for Children Born Before 2025
Older children—any U.S. citizen under age 18—can also have a Trump Account opened, but they will not receive the $1,000 federal deposit. Families can still contribute up to $5,000 annually, and employers may add up to $2,500. Additionally, thanks to a $6.25 billion philanthropic pledge from Michael and Susan Dell, children 10 years old or younger, born before 2025, may receive $250 in seed money if they live in ZIP codes with a median household income below $150,000. This donation aims to ensure that millions of older children aren't left behind.

Philanthropic Boost
The Dell family's contribution will fund 25 million accounts, prioritizing younger children in lower-income areas. Other philanthropists and corporations are expected to follow suit, making Trump Accounts a unique blend of public policy and private generosity.

Considerations for Families
While the accounts offer "free money," experts caution that they may not be the best vehicle for all savings goals. For education expenses, 529 plans often provide greater flexibility and tax advantages. Trump Accounts are more akin to custodial IRAs, with earnings taxed upon withdrawal and penalties for early use outside qualified purposes.

Action Steps for Parents
1.Check Eligibility:
- Born 2025–2028? Claim the $1,000 federal deposit.
- Born before 2025 and under age 10? Check if you qualify for the $250 Dell contribution.

2. *File IRS Form 4547*: Required to open the account and claim any seed money.
3. Plan Contributions: Decide whether to add funds annually (up to $5,000) and explore employer matching opportunities.
4. Review Investments: Funds will automatically be invested in U.S. stock index funds.
5. Compare Alternatives: If saving for college is your priority, weigh Trump Accounts against 529 plans for flexibility and tax benefits.
6. Stay Informed: Monitor updates from the IRS and financial institutions as the program rolls out in 2026.

NEWS ON CHARITABLE GIVING

by Alyssa Gander, Financial Services Assistant

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2025 WI Audits

With Christmas now behind us, many of us have spent the past few months in a generous, gifting mindset. Several of you extend that spirit throughout the year by taking advantage of Qualified Charitable Distributions (QCDs). As you know, once you reach age 73, you must begin taking Required Minimum Distributions (RMDs) from your IRA, which are typically taxable. However, when these distributions are sent directly from an IRA to qualified charities, they are considered a QCD and excluded from your taxable income, regardless of whether you itemize or take the standard deduction.

Recently, some Wisconsin taxpayers received notices indicating that, following an audit, they owed taxes from previous years. The questions raised during the audit involved QCDs that the Department of Revenue considered taxable. Fortunately, many of our clients who received these notices had kept excellent documentation, which helped us submit the appropriate appeals. While we do not want to plan for similar situations in the future, this serves as a helpful reminder to retain thorough records of your charitable contribution receipts, especially those related to QCDs, in case they are needed during a future audit.

2026 OBBBA Changes

As part of the *One Big Beautiful Bill Act*, signed into law on July 4, 2025, several changes to charitable giving will take effect in 2026.

One particularly interesting provision is OBBBA's new charitable deduction for non-itemizers. Beginning in 2026, taxpayers who take the standard deduction may claim an above-the-line deduction for eligible cash gifts to qualified public charities. The deduction is limited to $1,000 for single filers and $2,000 for married couples filing jointly, giving non-itemizers a meaningful tax benefit. Gifts to donor-advised funds, supporting organizations, private foundations, and all non-cash contributions are excluded. With proper documentation, this deduction directly reduces taxable income, allowing non-itemizers to receive a tax benefit for their generosity.

For itemizers, OBBBA introduced a new .5% floor on individuals' charitable contributions. This means that only donations exceeding the floor amount are eligible for deduction. For example, if an individual earns $200,000 per year, only contributions above $1,000 can be claimed as a deduction on their taxes. While the rule ensures a baseline level of giving, it limits the deductible portion of smaller donations for higher-earning members.

Even with the new floor and other changes, you can continue giving in the ways that work best for you. Many give through Donor-Advised Funds (DAFs) or Qualified Charitable Distributions (QCDs), and the good news is that while the 0.5% floor applies when contributing to a DAF, any grants from the DAF and all QCDs are not limited by the floor, so your generosity can continue to create meaningful change with smart, tax-advantaged strategies.

WHAT'S THE PLAN?

by Allen, Client of RSF

Around 1980, over 45 years ago, when we were both much younger, I met Joel Rewald when he was first starting out with Edward Jones. He had a small office south of the Empire Drug Store (now Sunnyside Bakery). This was the start of a business relationship and friendship that has lasted to this day at RSF, who asked me to put together some comments for this newsletter.

My grandfather bought 200 acres in 1895, so 130 years ago; he paid $6,000 or $30 per acre. Those 200 acres were sold to my father, then to me and are now owned by my son. It has increased in value with each sale. Not only has it been a good investment, but it has provided each generation a means to make a living in which to raise a family along with adding more land if we wished.

About 1970 at age 35, I bought two mutual funds from Don Koenig, my first purchase of this kind. My wife and I were raising a family, with our oldest in high school. We continued buying both funds by the month for about three years and stopped for two reasons. First, we had children in college with another use for the money and second, the mutual funds were worth less per share than they were when I started. I did not sell them; I just did not buy any more, ever. One of the mutual funds we gifted to our grandchildren. The other mutual fund, we kept until around 2008 when we diversified it into six different mutual funds. Those six mutual funds continued to increase in value until 2021, and at that time we moved them to five different mutual funds, which I still own today. They have continued to reinvest the dividends for the past 55 years, and that is the key. The gain in value over the longest time is both from growth in reinvested shares as well as from price per share.

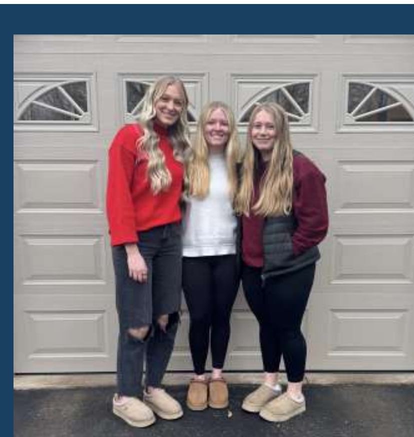
Take away. I should have started investing earlier. I should have kept buying, but at least I did not sell one of the funds; it continued to gain value through reinvested dividends, even though it never went above my original buying price of $9.38 until June of 1989, nearly 20 years later. Even though we did not do everything right, for every dollar we invested 55 years ago, I now have $172.

My final thought. During our lifetime we have three phases, growing up until we are about 20, working and retirement. What happens in the first two phases, in particular our working phase, will affect how we live in retirement. As we are growing up, if we are lucky to have parents and grandparents who taught us the value of money, we are off to a good start. During our working years we have FICA deducted from our check for Social Security and Medicare. That is a start, but we need to do more. We need to consider how we are going to live in retirement. We will no longer have a salary income and Social Security may keep us alive, but barely. In order to live comfortably in retirement, we need to plan for that to happen as early as possible. We also have to plan for the possibility of spending time in a nursing home, which is extremely expensive. We should make every effort during our lifetime, to the best of our ability, to be able to pay our own way and not be dependent on others. Happy planning.

JAMAICA HURRICANE RELIEF

CHRISTMAS 2025

Declan & Desi Sebranek



Alyssa, Jaycee & Kayla Gander

Peyton, Ellyn, Allison, Grandma Wheelock & Cameron Brown

Grace, Max, Blaise, Jake & Maggie Frawley

Josh, Avery, Finley, Larkyn, Allisyn & Daryn Kepler

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Happy New Year!

We have a few updates to share as we head into the new year:

- **New Name:** We've officially changed our business name to **RSF, LLC** (formerly Rewald, Sebranek & Frawley, LLC).
- **New Website:** Please update your bookmarks to **www.rsfwi.com.**
- **Team Update:** After graduating in December, **Alyssa is now with us full time.**

Our phone number and email addresses remain the same: **(608) 647-3745**

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