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*Eastwood*  
WEALTH

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2023 Annual Letter

I hope this finds you and your family doing well!

Stag Park and Holly Shelter are tracts of land, separated by the Northeast Cape Fear River, about 30 miles outside of Wilmington, North Carolina. The area was founded by explorers from Barbados in 1663. It eventually became home to George Burrington, a British colonial official who served as the third and fifth governor of North Carolina from 1724 to 1725 and then again from 1731 to 1734. Governor Burrington is known for opening the lower Cape Fear region of North Carolina to settlement.<sup>1</sup>

When Governor Burrington died, Samuel Strudwick, another colonial official, purchased the estimated 30,000 acres of land in September of 1761. Strudwick was also a political figure in North Carolina and held several public positions.<sup>2</sup> After Strudwick's death in 1797, the land was eventually obtained by Ezekiel Lane Sr. Upon Lane's death, the area was inherited by Ezekiel's granddaughter, Mary Elizabeth Lane, who married a Georgia preacher named Jesse Jordan.<sup>3</sup> Since the Civil War the Jordan surname has been a part of the Stag Park and Holly Shelter area.<sup>4</sup>

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James R. Jordan was born in 1937 in Wallace, North Carolina, about 15 miles from Stag Park and Holly Shelter. James attended Charity High School where he met Deloris Peoples at a basketball game.<sup>5</sup> They became childhood sweethearts and married in 1957. After bouncing around Virginia and New York, James and Deloris moved back to their southeastern North Carolina roots. Mr. Jordan worked at General Electric and Mrs. Jordan was a teller at United Carolina Bank. In 1974, The Jordan's purchased a home at 4647 Gordon Road in Wilmington for \$20,000. The split level, modest brick home hid behind towering pines and surrounding woods. Hedges and three globe accent lights welcomed guests at the front door. The sand color bricks gave way to a second story with pale yellow siding and brown shuttered windows.

Mr. and Mrs. Jordan raised five children, three boys and two girls, on Gordon Road. The children were involved in sports. The boys played baseball and basketball and the girls played softball. The Jordan's oldest son, Ronnie, enlisted in the Army leaving the two younger boys, Larry and Michael, to grow up together. Larry was one year older than Michael. Mr. Jordan set up a basketball goal in the backyard where Larry and Michael became ultra-competitive playing against each other. Larry recalls, "We used to play an awful lot, we would play every day, and I normally beat him". Michael follows, "He really helped me create some determination in myself. To beat him, if I could beat him, I felt like I could beat anybody. I finally started to grow and when my skills caught up with my height, I started to beat him convincingly".<sup>6</sup>

Mr. Jordan was 5'9 and Ronnie and Larry were around 5'7 in height. There had not been a Jordan over six feet tall, but Michael grew to 6'6. Mr. Jordan muses, "I've thought about that a lot, and I've come to one conclusion. Occasionally you'll meet people that you look at and you just know that they were born to do one thing. And, God looked at Michael and knew this kid would starve if he had to work and so he made an athlete out of him".<sup>6</sup>

Michael Jordan graduated from Laney High School in Wilmington and earned a scholarship to play basketball at the University of North Carolina at Chapel Hill for legendary coach Dean Smith. He wore number 23 because it was close to half of Larry's high school number, 45. As a college freshman, Michael started in the 1982 NCAA championship game against Georgetown. In the final seconds of the game, North Carolina had possession of the ball and Coach Smith called a timeout to draw up a play. When the team left the huddle, Coach Smith said to Michael, "If it comes to you, knock it in". With the game on the line and fans on the edge of their seats, the ball swung around the top of the key as James Worthy cut down the middle of the lane. Michael was wide open on the left-hand side of the court. The ball was passed to him, and, without hesitation, Michael caught and shot the ball in one fluid motion. It looked effortless and like

something he had done a million times in the backyard on the Jordan's worn grass court. He hit the game winner with 17 seconds left in front of 61,612 people in the Louisiana Superdome. The Tar Heels won the NCAA championship by one point, and Michael's career took off like a rocket. He was named the 1984 NCAA National Player of the Year, won Olympic gold medals in 1984 and 1992, won the National Basketball Association's (NBA) slam dunk contest in 1987 and 1988, was named the NBA's 1988 Defensive Player of the Year, was a 14-time NBA All-Star, was named the NBA's Most Valuable Player five times and was a six-time NBA world champion with the Chicago Bulls.

In 2016, President Barack Obama awarded Michael Jordan the Presidential Medal of Freedom, the nation's highest civilian honor, recognizing his contributions to the national interests of the United States, its security and culture. During the formal ceremony at The White House, President Obama made the inference that anyone in any field is measured by the bar of excellence that Michael Jordan set. Today, his name is synonymous with the acronym the GOAT, the Greatest Of All Time. The Jumpman logo, a silhouette of Jordan flying through the air to dunk a basketball, is as recognizable as any other logo in the world. It is estimated that in 2022, Nike's Air Jordan brand had revenue of over \$5.1 billion of which Michael receives a reported 5% of sales.<sup>7</sup> Michael Jordan's story is an amazing combination of many factors which begins with a family lineage that can be traced back five generations to the rural areas and influences of southeastern North Carolina.

The house at 4647 Gordon Road is less than five miles from the Eastwood Wealth office. Today, it looks about the same as it always has. The Jordans sold the house for \$63,000 on November 8, 1985, 10 days after Michael fractured his foot in a game against the Golden State Warriors. The shoes that Michael Jordan wore that night sold in a 2022 auction for \$422,000.

In 2020, ESPN released a 10-part documentary titled *The Last Dance*. It encompasses Michael Jordan's life, career and the Chicago Bulls's quest to win a sixth championship in the 1997-1998 NBA season. I found the first five minutes of the final episode to be the most fascinating. Mark Vancil, the author of the 1993 book *Rare Air*, captured Jordan's greatness like I've never heard before. Vancil declares, "Most people struggle to be present. People go and sit in ashrams for 20 years in India trying to be present, do yoga, meditate, trying to get here now. Most people live in fear because we project the past into the future. Michael's a mystic. He was never anywhere else. His gift was not that he could jump high, run fast, shoot a basketball. His gift was that he was completely present. And that was the separator. The big downfall of a lot of players who are otherwise gifted is thinking about failure. Michael didn't allow what he couldn't control to get inside his head."

The more the years pass the more I think about being present. The present moment is a gift, and I think that's why it's called the present. I ask myself the following questions often, and now, I ask them of you. When was the last time you were present? I mean fully present and completely in the moment without distraction. Where were you? What were you doing? Who were you with? How did it feel? What were your surroundings? What were the sights and sounds? Were you going with the flow of events or positioning an outcome? These types of questions could go on and on.

We are exceptionally present when we're young. Somewhere around age seven or eight we start to lose our naïveté. We become aware of others and care about what they think. As birthdays come and go, life changes, we gain more responsibility and the Joneses live next door. Youthfulness is refreshing. We do not have to be young to be youthful. Genuineness, authenticity, smiling, laughing, exercising, being outdoors and having fun are just a few gems to help us stay invigorated and present which keeps our youthful light lit.

In 2006, *The Bucket List* hit the big screen starring Morgan Freeman as Carter and Jack Nicholson as Edward. Initially, the two men do not know each other. They are about as different as any two individuals can be. Carter is a mechanic and a voracious reader while Edward owns multiple hospitals. Carter is quiet and easygoing while Edward is loud and boisterous. Carter is internally focused while Edward is externally focused. Carter drinks Chock full o' Nuts coffee while Edward drinks Kopi Luwak, the most expensive coffee in the world.

Life is good for both men until they are blindsided by a major health event. Carter and Edward are admitted into one of Edward's hospitals where they become roommates. One night, Edward is in his bed, lying flat on his back, watching a baseball game on tv through prism glasses. In an outburst about the game, Edward turns and sees Carter writing on a yellow legal pad, and asks, "What are you doing?". Carter replies,

"Nothing, scribbling". Edward responds, "Scribbling what?". Carter counters, "Nothing, just scribbling". Soon thereafter, Edward's doctor visits the room and reveals to him that he does not have long to live. Edward takes his glasses off, stares at the ceiling and rolls over to face the window, away from Carter. Edward doesn't say anything else the rest of the night. After a short period of time, the doctor returns and reveals to Carter that he, too, does not have long to live. Carter then tears off the yellow page from the pad, balls it up and throws it on the floor between the two beds.

The next morning, Carter and Edward wake up to the reality of their terminal illnesses. Edward is the first to rise and notices the crumpled yellow ball of paper on the floor. He picks it up, unfolds the ball and starts reading. Carter does a morning stretch as he opens his eyes and sees Edward reading the crinkled paper. Carter asks for it back several times before relinquishing. Carter interjects, "My freshman philosophy professor assigned this exercise in forward thinking, and he called it a bucket list. We were supposed to make a list of all of the things we wanted to do in our lives before we kick the bucket." Carter and Edward make a pact to add to the list and check all of the items off before their demise. The first entry on the list and the last to be accomplished was: Witness something truly majestic.

Our Question of the Year is: What is one item you can check off your Bucket List in 2023? My Bucket List is an ongoing lineup of experiences and adventures. Some items are small and get checked off quickly, others happen serendipitously and some I'm still saving for. One thing is for sure, they do not get checked off on their own. Do you have a Bucket List? Have you checked an item off in 2023 or can you make firm plans to check an item off in 2024? Life is short. Time is of the essence, and it's undefeated. I have found that I'm better in every phase of life when I get out and experience what life has to offer. It's where my best ideas come from, personally and professionally. It's also where I find answers to questions that have previously eluded me. Quite simply, I have more to give to everyone and everything because my mind has been expanded, and I am more present.

Money is emotional, and 2022 was an emotional time. Unsettling ebbing and flowing in the financial markets are usually when big, monster truck, life altering financial mistakes happen. The type of financial mistakes which a person or family may never recover from. In last year's annual letter, I invited you to stay positive and persevere right along with me through 2022's downturn. You did. As of Thanksgiving Day, the S&P 500, the top 500 publicly traded companies in the United States, was positive 20.44% year to date. Remember, markets don't settle down, they settle up.

Patience is one of the most dependable character traits of successful investors. Warren Buffett, the CEO of Berkshire Hathaway, is likely the most successful and patient investor the world has ever known. He started investing when he was 11 years old, and he'll turn 94 next August. It's hard to imagine that someone will ever duplicate his investing prowess. Buffett has committed to donating 99% of his wealth to charity. Since 2006, he has donated over \$50 billion to five foundations. In June of 2023, Buffett said, "\$50 billion was substantially more than my entire net worth in 2006. I have no debts and my remaining A shares (Berkshire Hathaway stock) are worth about \$112 billion, well over 99% of my net worth". His story is one of owning great businesses, being patient and staying invested over time. Again, I invite you and your family to stay positive, patient and persevere right along with me in the years ahead. We can do this, and it's not as hard as you think.

In Edward Chancellor's latest book, *The Price of Time*, he begins by displaying a chart of global interest rates covering the last 5,000 years.<sup>8</sup> Global interest rates of the late 1970s and early 1980s have only been higher one other time in the last 5,000 years. From the chart, it can also be observed that the only time global interest rates had been at 0% was in the late 1920s, around and after the Great Depression, in 2008, around and after the global financial crisis, and in 2020, around and after the COVID pandemic. We have discussed and I have written about rising interest rates ad nauseum over the past few years. It was inevitable. Eventually, rising rates tame inflation and help remove speculation from the economy, both of which we need. Global interest rates in the neighborhood of 4%-6% seem to play out often. The Federal Reserve (the Fed) sets the interest rate in the United States and it's currently at a range of 5.25% to 5.50%. The Fed is trying to thread the needle of increasing interest rates to lower inflation while keeping our economy growing. It is wise for us to continue to take the Federal Reserve at their word as their credibility and confidence is on the world's stage for all to see.

The increase in interest rates and lenient loan underwriting has impacted some banks and several even failed in the spring of this year. It will not surprise me if other banks have financial issues in the future due to increased rates. Please confirm that your deposits are insured by the Federal Deposit Insurance Corporation

(FDIC) for banks or the National Credit Union Administration (NCUA) for credit unions. FDIC was created in 1933 and NCUA in 1970. No depositor has ever lost a penny on insured deposits.<sup>9,10</sup>

Artificial Intelligence (AI), a machine's ability to assimilate the human mind, is rapidly changing the world. Currently, AI technology is still in the early phases as developers, programmers, businesses and lawmakers gain a better understanding of it and how to use it for the greater good. Bill Gates, Microsoft's cofounder, wrote earlier this year, "Soon after the first automobiles were on the road, there was the first car crash. But we didn't ban cars-we adopted speed limits, safety standards, licensing requirements, drunk-driving laws, and other rules of the road." He goes on to write, "AI is going to revolutionize our lives. It will help solve problems-in health, education, climate change, and more-that used to seem intractable. It's the most transformative innovation any of us will see in our lifetimes."<sup>11</sup>

The only thing the world knows is expansion. It's been expanding for as long as each individual's belief system allows, spiritually and scientifically. Based strictly on historical information, expansion has positively impacted the global economy and financial markets which directly correlates to building wealth. Utilizing this forward momentum is a way to create an extraordinary life of freedom, independence and peace of mind.

Singer/Songwriter Jimmy Buffett passed away on September 1, 2023. His music touched millions of lives. He was once asked in an interview: How do you want to be remembered? Buffett replied, "He had a good time and made a lot of people happy."

What if we lived life with the presence of Michael Jordan, the patience of Warren Buffett, the perspective of Carter and Edward and the perpetual positive outlook on life of Jimmy Buffett? We can in our own unique way. As Mark Twain said, "Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

Thank you for being a part of the Eastwood Wealth Family and for allowing us to be a part of yours. We hope your 2023 holiday season is the best ever and look forward to a prosperous 2024!

Best,



Tim Evans, CFP® CLTC  
Founder

Thank you to Mr. and Mrs. G for providing knowledge and a map of the Stag Park and Holly Shelter area

1: NCpedia.org

2: NCpeida.org

3: Michael Jordan: A history of flight, Wright Thompson

4: SelectSurnames.com

5: WomensHistory.org

6: Come Fly With Me, NBA Entertainment

7: Nike, Jordan Score With Jordan Brands Record Haul, Owen Poindexter

8: Five millennia of interest rates. Sidney Homer and Richard and Sylla, A History of Interest of Interest Rates, 3<sup>rd</sup> edition from Bank of America Global Investment Strategy, Bank of England, Global Financial Data,

9: FDIC.org

10: NCUA.org

11: Gates.com, Bill Gates

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

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