

# IT'S ABOUT TIME...



It's about time for what?

What do the words, "IT'S ABOUT TIME" mean to you?

It's about time to plan  
that dream vacation

It's about my time spent  
with family/friends

It's about the time I  
have left on this earth

Could it be....

It's about time to have  
a cup of coffee

It's about time I started  
saving more

It's about time  
it stops snowing!

It's about time IN the  
market versus timing  
the market

Whatever this phrase means to you, we want you to know that Sterling is here for you every step of the way. Our clients' dreams, goals, and values are at the forefront of our minds on a daily basis and we genuinely care about YOUR time, however you choose to spend it! We appreciate your trust and confidence and our time spent with each and every one of you!



**PS.**

If you want your very own Sterling Doodle-Doo (chicken timer) for your kitchen, **don't hesitate to ask!**

It's about time.... to introduce you to our newest team member,  
Luke Strom!



Luke started his career in the insurance industry after graduating from Gustavus Adolphus College. He became fascinated by all the methods to help clients plan for their financial security. In his most recent role as an in-house financial advisor, Luke served over 2,000 employees internally; meanwhile, he was building his own financial planning business.

The opportunity to join Sterling is perfect. With a knack for problem solving, Luke enjoys taking data and transforming it into relatable action steps for financial planning. He has an easy manner with people and a true interest in finding just the right pieces for each plan.

Luke is a born-and-raised Minnesotan from Minneapolis, and he plans to keep it that way. He and his wife love to be outdoors fishing, canoeing and camping, plus playing with their two cockapoos, Tui and Koa.

Their dogs were named after favorite memories on a trip to New Zealand.

Preparing for parenthood is next on Luke's agenda, although he knows you can never really prepare. His experience as a soccer coach may help, since he always learns as much from young people as he can teach them. Plus, nothing gets past him! After coaching several high school boys' soccer teams, he is now an assistant coach for the Gustavus Adolphus College men's soccer team.

Please help us in welcoming Luke to YOUR team. We are thrilled to have him!

## It's about time.....for some SPRING CLEANING!!!

We know, it's been hard to really get our arms around spring this year, given these recent snow falls... but we hope to get there soon! With that being said, please join us for our biggest-ever spring cleaning event!

When?

MAY 17th, 2019  
12:00pm-4:00pm

Where ?

Sterling Retirement Resources,  
8401 Golden Valley Road,  
Golden Valley, MN 55427



We will be outside in the parking lot, towards the back of the lot. Come rain or shine. In fact, you don't even need to get out of your car if you don't want to! However, we are going to be grilling and will have lots of treats, so please feel free to stay for a while to catch up with us!

On site, we will have a shred truck, tech dump, and dumpsters. Please bring anything you can think of that you need to get rid of EXCEPT for hazardous materials, paints, chemicals, oils, batteries, furniture, etc.

It's about time...we thanked you all for your contributions to our annual Ronald McDonald House food drive!

This past holiday season, we filled ALL of our cars to the brim and headed down to deliver our annual gifts and donations to Ronald McDonald House. This is something near and dear to our hearts and we were thrilled to have the biggest client participation EVER this past year. Thank you so much for your donations!



It [was] about time....that Steve's & Stacy's son Robb got engaged to Caren!



It's about time....to meet your worst portfolio enemy!

What's the biggest risk to your long-term portfolio today? Think about the headlines in the last few months. Is it trade tension? A global slowdown? Political gridlock?

While these events affect markets in the short-term, history tells us that the real risk is not any of those things, or any other headline around the corner. History shows that the largest threat to our own portfolio lies within each of us, and is often hard to control – it's our own emotions. In other words, it's not the headlines themselves; it's our response to those headlines that can cause the greatest impact.

There's a detailed study that is published every year by a company called Dalbar, which analyzes the typical investor behavior and compares that return to the overall market performance. According to Dalbar, the average investor significantly underperformed nearly every asset class over the 20-year period from 1998-2017<sup>1</sup>. While the S&P 500 index averaged a 7.2% return over this period, the average 100% stock investor earned only 2.6%, which is so bad that they just beat inflation at 2.1% per year. Even a simple 60% stock, 40% bond portfolio beat the average 100% stock by 3.8% per year. That's a 60% smaller return, for nearly double the risk.

So what is causing such a difference in what investors are earning versus how the market is performing? The answer is simply that investors buy and sell stocks when they shouldn't be. Investors tend to buy more when the market is at an all-time high, when "things are great" and volatility is low, and sell after



the market declines. Dalbar's research shows that psychological factors account for half of the shortfall experienced by the average investor. In other words, because many investors use emotions like fear and greed to drive their investment decisions, they often miss out on return.

We know that market declines and upswings can come without warning and are often swift. 20% market declines are often followed by full recovery within a few months to a year, and often times the best days in the markets come immediately following the worst. During the Great Recession in 2008, we experienced 8 of the best 20 S&P 500 return days from all of 1998 to 2017 <sup>2</sup>. Over the same time period, an investor that missed out on just 10 of the best daily returns of the S&P 500 index reduced their returns by almost 50% <sup>2</sup>.

Investors cannot afford to miss any "best day" returns because they sold their investments and sat on the sidelines.

We believe that the best weapon investors have in their arsenal to combat emotional risk is to have a plan, and to have someone hold them accountable to that plan. That's what we do all day at Sterling! We help you make a plan before fear and greed set in so that you're better equipped to recognize your emotions, and more likely to stay the course.

If emotions do take over, we are here to listen to you, walk you through your plan, show you how we've prepared for volatility, and to help you evaluate if it's time to make a change. Know that it's completely normal to feel afraid when the markets sink – it happens to every one of us.

In the end, we're all just human.

#### Sources:

1. *JPMorgan Asset Management, citing Dalbar Inc. Average asset allocation investor returns is based on an analysis by Dalbar Inc., which utilizes the net of aggregate mutual fund sales, redemptions, and exchanges each month as a measure of investor behavior. Returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/17 to match Dalbar's most recent analysis.*
2. *Morningstar Direct, as of 12/31/17. For illustrative purposes only and is not intended as investment advice. Past performance does not guarantee future results.*

Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing. The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. All investing involves risk, including the possible loss of principal. There is no assurance that any investment strategy will be successful. The views stated in this letter are not necessarily the opinion of Cetera Advisor Networks LLC and should not be construed directly or indirectly as an offer to buy or sell any securities mentioned herein. Due to volatility within the markets mentioned, opinions are subject to change without notice. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Past performance does not guarantee future results.

It [was] about time....to escape this MN winter!

Steve and Meg attended a conference in Marco Island, FL this spring and also spent time visiting with clients! It was especially fun meeting Amelia's parents, who recently decided to winter in FL. The team never complains when Steve and Meg are out of the office either!



It's about time....to mark your calendars (and RSVP) for our annual Cooks for Kids night!

Our team has a rich tradition of giving back, and this year is no different. You are invited to help serve dinner as part of the Cooks for Kids program at the Ronald McDonald House on Oak Street in Minneapolis.



Wednesday June 26th, 2019

Ronald McDonald – Oak Street 818 Fulton St. SE, Minneapolis, MN 55414  
5:00-8:00pm

Guests and family over age 16 welcome. No special skills required.

Space is limited, please call Melanie at 763-762-3402 to reserve your spot!

## It [was] about time....for Amelia to start bringing in her baking experiments!

We celebrated Pi Day on Thursday, March 14<sup>th</sup> (3.14...get it?) and Amelia graced us with a delicious lemon-blueberry pie. She is especially proud to have mastered her grandmother's perfect crust!

## It's about time...to keep informed on more upcoming Sterling events, date TBD!

1. Meg and Steve will be speaking at AAA again this fall. The topics will include Social Security and simple, yet effective, IRA do's and don'ts!
2. Due to spring schedules, we pushed our investment seminar back to the fall. Stay tuned for dates and times!



## It [was] about time....for change.

Meg is excited to announce a big change for her family! The article below was posted in the Wayzata Sun Sailor newspaper recently.

# Wayzata swears in Officer Gehrman

Wayzata has welcomed its newest police officer to the force.

City Manager Jeffrey Dahl administered the oath of office to Officer Jason Gehrman during the March 19 city council meeting, telling him, “You join a great department.”

Wayzata Police Chief Mike Risvold then asked the officer to invite the person of his choosing to pin a badge on his uniform. Gehrman selected his wife, Megan, to do the honors alongside their children.

The police chief then introduced the newly sworn-in officer to the community and gave some background on Gehrman.

“He has two degrees, one in law enforcement and one in auto mechanics, which will come in handy for us,” Risvold said.



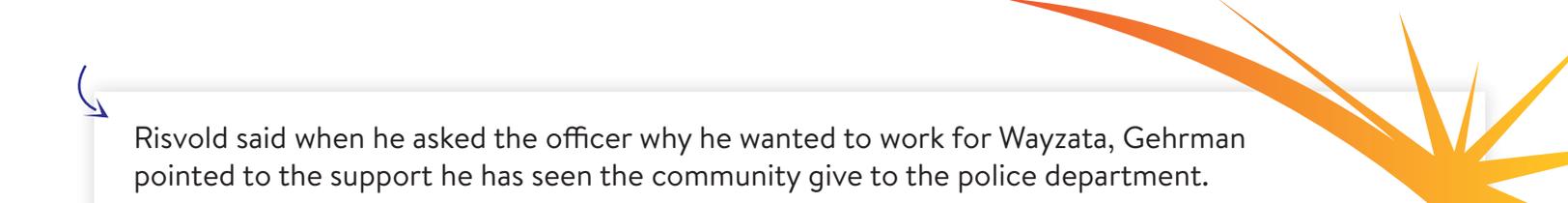
Wayzata Police Chief Mike Risvold looks on as Megan Gehrman pins a badge to the uniform of her husband, Jason. The new Wayzata officer was sworn in during the March 19 city council meeting.

Before joining Wayzata’s police force, Gehrman served nearly 13 years as an officer for Roseville, where he worked patrol, served on the East Metro Swat Team, was a sniper team leader, traffic officer, impact street crimes officer, explorer advisor and squad fleet manager.

“His law enforcement training areas of expertise include Taser instructor, SWAT sniper, specialty impact weapons instructor, chemical munitions, EVOC (Emergency Vehicle Operator Course) instructor, pursuit intervention technique instructor, crisis intervention team member and background investigator,” the police chief said. “So, you can see with all this training and experience, he will be of great value to the City of Wayzata and the Wayzata Police Department.”

Risvold added that he’s known Gehrman’s mother since the early 1990s through her involvement with Mothers Against Drunk Driving and Minnesotans for Safe Driving. Officer Gehrman has also volunteered his time with the organizations.

As a graduate of Wayzata High School, Gehrman is familiar with the community he now protects and serves.



Risvold said when he asked the officer why he wanted to work for Wayzata, Gehrman pointed to the support he has seen the community give to the police department.

“That’s a big deal,” the police chief said. “As members of the police department, we all feel that support.”

Gehrman thanked his wife, children and mother for their support over the years. He also thanked his in-laws, friends and colleagues for their continued support before turning his attention to the front of the room.

“Thank you to the city council, mayor, chief for the opportunity to come home,” the officer said. “I’ve been across the river for a long time and it’s nice to be home.”

As the officer walked away from the podium, Wayzata Mayor Ken Willcox added a few more welcoming words.

“Congratulations and welcome to the Wayzata Police Department. It’s a great department,” the mayor said. “You clearly are going to be a huge asset for us.”

## **It’s about time....to turn off your phone (just kidding)!**

Has anyone been receiving phone calls (CONSTANTLY!) from Oppenheimer lately???

One of the investment providers used in some advisory accounts, Oppenheimer, was purchased in 2018 by another mutual fund company, Invesco. Recently we became aware that in order to finalize the purchase, Oppenheimer is required to hold what’s called a proxy vote to ask for approval from their mutual fund shareholders (you, our clients).

The good news is that the transition to Invesco will not materially affect your investment strategy at Oppenheimer. Each fund is retaining the same talented and experienced management that’s allowed the firm to deliver value over several decades.

The bad news is that we cannot place your vote for you, and Oppenheimer is reaching out directly to you, our clients, through mail and phone, to ask for permission to move under Invesco’s umbrella. These phone calls are happening at inconvenient times and are not done in a manner consistent with what we’d consider the stellar customer experience that you deserve. However, we’ve done significant due diligence on the vote and acquisition, and we recommend that you vote ‘yes’ to allow the purchase to move forward. Thankfully, once you respond to their request, the calls should soon stop! Even though it may sound like a spam or fraudulent call, it is really coming from a legitimate source.

And finally, each and every member of YOUR team checked off bucket-list items during some of their time. Here's what they've been up to....

In February, Davis took a bucket list trip to New York City to watch his sister perform in Carnegie Hall!

And speaking of New York City, it's always been a dream of Meg's to skate in Rockefeller Center during the holidays. Meg's family spent a long weekend touring NYC and checked that off her list!

Steve and Stacy have been wanting to try out this retirement thing....just kidding, he's not going anywhere...traveling during the cold month of February to play some golf and spend time in the sun!

### Amelia

- Baked my first multilayer cake and perfected my pie technique
- Rode my first metric century (100km) in a single bike ride
- Went caving in Washington and was brave enough to turn off the headlamp for a few seconds

The week before Luke started at Sterling, he and his wife Sara took a trip to Kauai. Hope he enjoyed it, it's going to be a while before he takes another one with a new baby due June 1st!

Melanie checked off two bucket list items in the recent months. She just finished building a beautiful home with her husband Mike, and they also celebrated their honeymoon in St. Thomas, one of their favorite spots!

