



# WELCOME 2022

*Think Again!*

# 2021

**a year in which a pandemic, inflation, politics, taxes, cryptocurrencies, and meme stocks were topics on many people's minds.**

I look back and see a wonderful year of service, lifting others above ourselves, getting better, new looks, new tag lines, new teammates, and hybrid vigor. It was an exceptional year and one that I am proud to add to our history.

If this year has taught us anything, it is that the only thing you know for sure is that you never know.

Kids and grandkids get taller, but we don't age.....how does that happen?

Most would look at 2021 and say, let's do that again.....not!

2022 will bring celebrations, as well as trials and tribulations. There will be some great new advances in technology that may change the course of our future. Positions will fight and blame. People may be at odds with each other. Sickness will happen. Confusion and the term we call VUCA (Volatile, Uncertain, Changing, Ambiguous) will pervade.

2022 is a year to Think Again!

Lets tear down some of the old thoughts and positions we have clung to and either reaffirm or learn new facts and adjust our thinking. We have to be careful as we often cling to our old:

- Assumptions
- Instincts
- Habits

...and we forget to have an open mind.

The beauty of our United States Constitution is that it was made with amendments.

Old cars and old baseball cards might be valuable, but outdated facts are worthless.

As the bull rages on in 2022 we know not what will happen, but we will be prepared for it when it comes.

We are humbled and have deep gratitude that you have decided to work together with us another year, creating a great team. If we are extraordinary, it is because of **you**, our client, and your Gentian team's commitment to **Always Getting Better (AGB)**. And with that we welcome you, to 2022!

**With Gratitude,**

*Chris*

Chris Doughty | President & Founder

# REFLECT | REALIGN | RETHINK



**If 2020 was the year of the virus, 2021 was the year of the vaccine.** Vaccination as well as acquired natural immunity are in the ascendancy. Regardless of how many more Greek-letter variant are discovered and trumpeted to the skies as the new apocalypse. This fact, it seems to us, is the key to a coherent view of 2022.

In general, we think most likely that in the coming year:

- (A) The lethality of the virus continues to wane.
- (B) The world economy continues to reopen.
- (C) Corporate earnings continue to advance.
- (D) The federal reserve begins draining excess liquidity from the banking system, with some resultant increase in interest rates.
- (E) Inflation subsides somewhat, and
- (F) Barring some other exogeneous variable - which we can never really do - equity values continue to advance, though as something less (and probably a lot less) than the blazing pace at which they've been soaring since the market trough of March 2020.

Please don't mistake this for a forecast, all we said, and now say again, is that these outcomes seem to be more likely than not.

We are fully prepared to be wrong on any or all of the aforementioned points: if and when we are, our recommendations to you will be unaffected, since our investment policy is driven entirely by the plan we've made, and not at all by current events.

With that out of the way, allow us to offer a more personal observation. To wit: these have undoubtedly been the two most shocking and terrifying years for investors since the Global Financial Crisis of 2008-09 - first the outbreak of the pandemic, next the bitterly partisan election, then the pandemic's second major wave, and most recently a 40-year inflation spike. You might not be human if you haven't experienced serious volatility fatigue at some point. We know we have.

But like that earlier episode, what came to matter most was not what the economy or the markets did, but what the investor himself/herself did. If the investor fled the equity market during either crisis, or heaven forbid, both - his/her investment results seem unlikely ever to have recovered. If on the other hand he/she kept acting on a long-term plan rather than reacting to current events, positive outcomes followed. It was ever thus. We expect it always will be.

SOURCES: Standard & Poor's; Yahoo Finance; J.P. Morgan Asset Management "Guide to the Markets" (P.16); S&P 500 Return Market Calculator with dividend reinvestment. DQYDJ.com

## GENTIAN | TEAM MEMBER SPOTLIGHT

Get To Know *Zach* DeBoer | CRPC® Financial Advisor

Originally from Brandon, WI - Zach graduated from Ripon College before beginning a career as a financial professional. He joined our team here at Gentian in 2018 as a CERTIFIED RETIREMENT PLANNING COUNSELOR and Financial Advisor. Zach brings to our team and clients, a deep rooted commitment to building meaningful relationships that is apparent upon your very first meeting with him. Zach is highly disciplined with a marine like responsibility to protecting those he serves. He enjoys knowing our clients on a personal level, and we love him for this!

**FUN FACTS ABOUT ZACH:** He's a sports NUT, he enjoys playing and watching almost ALL sports and will never turn down the chance to take in a Bucks game or squeeze in a round of golf. Zach enjoys living in the Milwaukee's Third Ward and experiencing all the area has to offer. His favorite color is blue, he has an ENORMOUS and impressive book collection, his favorite dessert is cheesecake, he enjoys a good workout, is an avid runner and to date, has completed 8 marathons.

We wouldn't be Gentian without you Zach!

**[zach.deboer@raymondjames.com](mailto:zach.deboer@raymondjames.com)**  
**262.518.7598**



# CURRENT OBSERVATIONS

**It** would seem to be counterproductive to look at these past 12 months in isolation. They were, rather, the second act of a drama that began early in 2020, the precipitant of which was the greatest global public health crisis in a hundred years.

The world elected to respond to the onset of the pandemic essentially by shutting down the global economy— placing it, if you will, in a kind of medically induced coma. In this country, we experienced the fastest economic recession ever, and a one-third decline in the S&P 500 in just 33 days.

Congress and the Federal Reserve responded all but immediately with a wave of fiscal and monetary stimulus which was and remains without historical precedent. This point cannot be overstressed: we are in the midst of a fiscal and particularly a monetary experiment which has no direct antecedents. This renders all economic forecasting—and all investment policy based on such forecasts—hugely speculative. We infer from this that if there were ever a time to just put our heads down and work our investment and financial plan—ignoring the noise—this is surely it.



**re•flect** /rə'fлект/  
VERB

Think deeply or carefully about.

**re•think** /rē'THINK/  
VERB

Think again about (something such as a policy or course of action), especially in order to make changes to it.

MERRIAM-WEBSTER DICTIONARY

**FAITH  
PATIENCE  
DISCIPLINE**



## **We are long-term, goal-focused, and plan-driven equity investors**

We believe that the key to lifetime success in equity investing is to act continuously on a specific, written plan. Likewise, we believe substandard returns and even investment failure proceed inevitably from reacting to (let alone trying to anticipate) current economic/market events.



## **We're convinced that the economy cannot be consistently forecasted, nor the markets consistently timed.**

Therefore we believe that the only reliable way to capture the full long-term return of equities is to ride out their frequent, but historically always temporary, declines.



Just in the last four decades or so, the average annual price decline from a peak to a trough in the S&P 500 exceeded 14%.

One year in five, the decline has averaged at least twice that. And on two occasions (in 2000-02 and 2007-09), the Index has actually halved.

Yet the S&P 500 came into 1980 at 106 and went out of 2021 at 4,766; over those 42 years, its average annual compound rate of total return (that is, with dividends reinvested) was more than 12%.

**This data underscores our conviction** that the essential challenge to long-term successful equity investing is neither intellectual nor financial, but temperamental: it is how one reacts, or chooses not to react, to market declines. **Faith...Patience...Discipline.** And it is these principles, that will continue to govern the essential behavioral nature of our advice to you in the coming year...and beyond.

## What we ARE

**We are** financial planners first, equity investors second, and behavioral investment counselors overall.

We know that mainstream equities are at once the most efficient and most effortless means to lifetime and multigenerational inflation-adjusted (that is, real) wealth. We know that the engine of wealth building in equities is compounding, and that the most important thing is not to interrupt the compounding unnecessarily.

We know that the economy cannot be consistently forecast and—even more importantly—that the markets cannot be timed.

This tells us that the only way to be reasonably sure of capturing the full return of equities is to ride out their frequent and sometimes violent but always temporary declines. We infer from this that the best time to buy equities for the long run is simply whenever you have the money, and the best time to sell is whenever you need the money, and everything else is navel-gazing.

We know, finally, that with regard to equities in general, and mainstream U.S. equities in particular, optimism is the only realism. Equities remain the only asset class that fully captures human ingenuity, which - second to *love* - is the most powerful force in the universe.

## ..... TIMELESS



## TRUTHS .....

- Have a long term plan and stick to it
- We are planners, not prognosticators
- At their most dramatic turning points, the economy can't be forecast, and the market can't be timed
- You will hear the bad news when it happens, or before, but you will not hear when it is resolved
- The market hates uncertainty and loves resolution
- "Don't just do something, sit there" is often the answer!
- Rely on your plan, don't react to the market or the news
- This time is NOT different

- Your 'smart' friend's advice may get you in trouble
- Risks should be measured as the probability of you not achieving your goals
- Investing should have the exclusive objective of mitigating that risk
- Viewing economics and planning through a political lens is dangerous
- Never get your politics mixed up with your investment philosophy





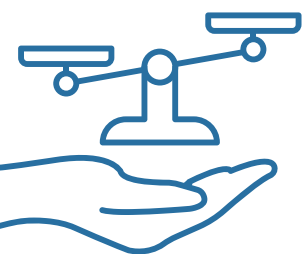


# GENERAL PRINCIPALS

Plan It. Live It. Give It.

**OUR** overall philosophy of investment advice is goal-focused and planning-driven, as sharply distinguished from an approach that is market-focused and current-events-driven. In our experience, successful investors act continuously on a plan and many investors fail by reacting to current events in the economy and the markets.

We can neither forecast the economy, nor attempt to time the markets, nor predict which market sectors will “outperform” others over the next block of time. In a sentence that always bears repeating: we are planners rather than prognosticators.



We have plans in place for our client's families and have funded those plans with what has historically been the most appropriate types of investments. We'll hardly ever recommend changing the portfolio so long as your long-term goals haven't changed. As a general statement, we have found that the more often investors change their portfolios (in response to the market fears or fads), the worse their long-term results.



## Our essential principles of portfolio management are fourfold:

1. The performance of a portfolio relative to a benchmark is largely irrelevant to long-term financial success
2. The only benchmark we should care about is the one that indicates whether you are on track to accomplish your financial goals
3. Risk should be measured as the probability that you will not achieve your goals
4. Investing should have the exclusive objective of mitigating that risk



## Corrections are the necessary time to plant seeds for the next chapter:

1. Opportunities to purchase at bargain prices
2. Potential Roth IRA conversions designed to lower overall tax burdens
3. Tax loss harvesting opportunities
4. Opportunities for our managers to purchase stocks at prices they may have missed
5. Education on perspective, communication, and coaching
6. Maintain your long-term wealth



# WE WILL

- **Simplify Complex Ideas**
- **Educate and Guide You With Ideas That May Benefit You**
  - Including: Behavior, Communication & Perspective
- **Trust Each Other**
- **Treat Each Other With Respect At All Times**
  - For Example: verbally, during phone calls, in emails and other correspondence

## MINDSETS WE COMMIT TO:

Service and planning, keeping you informed, helping you adjust when needed, assisting you in becoming a great investor, lifelong learning and continued education for our team. We will search for what may be changing in our world, and we will work to prepare you and your family for it!

**GENTIAN**  
— FINANCIAL INC. —

- **Service First**
- **Positive-Realist/Optimistic**
- **Trusting**
- **Grateful**
- **Open/sharing**
- **Contribution minded, giving**
- **Lifelong Learning**

# AS A CLIENT

Please Be...

- **Open & Honest**
  - Tell us who you are, what you need and what dreams you have
- **Forthcoming**
  - Keep us apprised of any changes that come up in your life
- **Provide Current Data**
  - Taxes, 401(k) documents, etc.
- **Participate**
  - Be open to viewing our video content and reading newsletters created for you.  
*We invite open and honest feedback.*



**While we cannot time the market, forecast the economy or profess to know the unknown, we are grateful for the faith that you have placed in us to protect you and your family.**





"Set a realistic budget and do your best to live within that budget. If you don't have the cash...don't buy it!"

**JULIE**



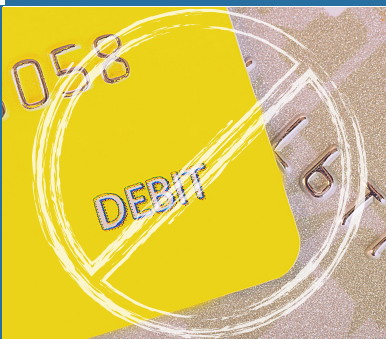
"If I don't make it home, will my children be financially secure? Plan for the unplanned and prepare for the things that are out of your control."

**ANGIE**



"Start investing something, even if it's \$25/paycheck. Investing can become addictive because you can see your money grow & add up over time. Over a 30-40+ year timeframe, it truly adds up! Start now, get a plan of where you are going & stick to it - Don't Give Up!"

**KEN**

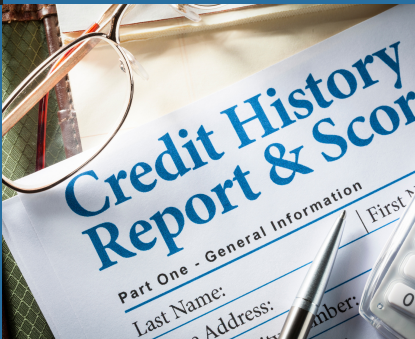


"Do NOT use a Debit Card! Because I was 52 years old when I was told that debit cards are bad & I should not have one (thanks Ken). So my goal is to wean my mental thinking to use credit cards instead of a debit card for my safety."

**LISA**

"Open a credit card & get a loan with a co-signer EARLY in your life! This will help build great credit, if paid on time and it saves you a lot of money later in life when buying larger items."

**ASHLEY**



"Every paycheck, pay yourself first! Make your retirement and savings contributions before you spend."

**MIKE**



"Max out your IRA or Roth IRA each year if you can! This has great tax benefits and is a savings vehicle that can really add up over the years. Everyone has until April 15th of the next year to max out their account."

**ZACH**



"Contribute to your retirement plan. It's easy to not want part of your paycheck going into an account you can't use for decades, but the power of the compounding is incredibly impactful. You be giving up "free money" by not taking advantage of an employer match on those contributions also."

**PETER**

"Spend less than you make. Pay yourself first... 10%."

**CHRIS**



"Invest in what lasts over time. Reduce, Reuse, Recycle. The less you buy, the more you save!"

**KRISTIN**



"Research your credit card options, and get the best cash back offer you can find. Set your preference to 'Pay Off Balance at end of each month' - Why NOT earn money for money you have to spend anyway!"

**JENNY**



"Separate accounts or in the case of cash, envelopes, to separate money for specific purposes. Example: Separate accounts or envelopes for discretionary money, monthly expenses & emergencies. Try not to borrow from one to the other."

**RYAN**



# GENTIAN —CALENDAR—

WHAT'S COMING UP!

The Inside Look

BULLETIN | HAPPENINGS

**FEBRUARY**  
**BIRTHDAY LUNCH CLUB**  
(for those celebrating a February birthday!)

Lunch | Coffee | Cake

JOIN US FOR A BIRTHDAY PARTY  
IN HONOR OF *You!*

\*\*\*  
**HAPPY  
PRESIDENT'S DAY**  
\*\*\*

**TAXES**

## 2/16 - BIRTHDAY LUNCH CLUB

We want to celebrate you! Join us for a birthday party in your honor, each and every month of 2022. We welcome all February birthdays on Wednesday, February 16th!

## 2/21 - OFFICE CLOSURE

The Markets, along with our office will be closed in observance of Presidents' Day on Monday, February 21st.

## 4/18 - TAX DAY

The filing deadline to submit 2021 tax returns, file an extension or pay taxes owed is Monday, April 18, 2022, for most taxpayers.

## 2021 Form 1099 Mailing Schedule

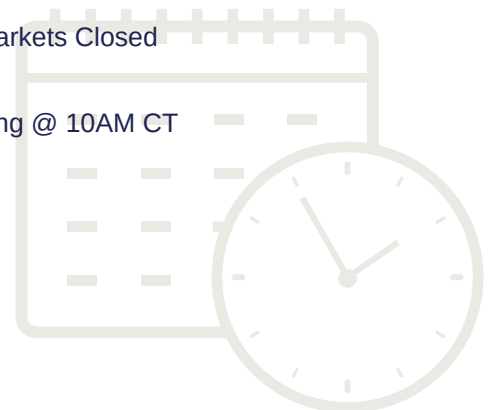
**February 15** – Mailing of original Form 1099s

**February 28** – Begin mailing delayed and amended Form 1099s

**March 15** – Final mailing of any remaining delayed original Form 1099s

Raymond James is very careful with their tax documents. Some firms tend to send them out as soon as they possibly can, but Raymond James likes to do all they can to prevent clients from having to amend their completed taxes. While we can't promise yours won't be amended, please know they are doing all they can to avoid sending amended 1099s.

- FEB 16.** Gentian Bi-Weekly Update @ 9AM CT via Zoom  
February Birthday Lunch Club @ 11AM CT - Gentian Hall
- FEB 21.** Presidents' Day/Washington's Birthday Observed: Offices & Markets Closed
- MARCH 2** Gentian Bi-Weekly Update @ 9AM CT via Zoom
- MAR 8** LADIES & Gentian: International Women's Day Virtual Gathering @ 10AM CT
- MAR 13** Daylight Saving Time Begins
- MAR 16** Gentian Bi-Weekly Update @ 9AM CT via Zoom  
March Birthday Lunch Club @ 11AM CT - Gentian Hall
- MAR 30** Gentian Bi-Weekly Update @ 9AM CT via Zoom
- APR 13** Gentian Bi-Weekly Update @ 9AM CT via Zoom
- APR 15** Good Friday Observed: Offices & Markets Closed
- APR 27** Gentian Bi-Weekly Update @ 9AM CT via Zoom
- COMING SOON!** Spring Forum Invitation & Details



**Plan It. Live It. Give It.**