

the visionary

W I N T E R 2 0 2 0 E D I T I O N

HAPPY ANNIVERSARY
TO *The Visionary*

THE STATE
of **OUR WORLD**

OUR
Introduction
PROCESS

WHAT DOES
DIVERSIFICATION
MEAN TO YOU?

New Year,
NEW LOOK



LEE STOERZINGER
— WEALTH MANAGEMENT —

New Year WELCOME

Dear Clients and Friends,

Welcome to 2020! In this new year, we're excited to finally share with you the new look of our company. Take a peek at our redesigned logo and website, and the story behind our new image on page 19.

In this, our 100th newsletter, we have a lot of important information to share with you. I reflect on the state of our world and what it means to you (pages 6-7) and also share information about our introduction process (pages 8-9). Operations Manager Andy Roth provides his perspective on diversification (pages 10-11).

In addition to our new design, we have a few other things to celebrate in this issue. We look back at our newsletter's 25-year history (pages 3-5) and reflect on the fun and meaningful moments we shared with our valued clients at our November client party (pages 16-18).

Thank you for making each year so special for us. Wishing you and your loved ones health, happiness and peace in 2020.

All my best,

Lee Stoerzinger, CFP®

President

Happy Anniversary *to* THE ENVISIONARY

Written by Lee Stoerzinger, CFP®

This newsletter has made it to a pretty cool milestone; 25 years in print. It all started with a four-page ink-based design and the best clip art I could find. Over the years it has expanded into what it is today — a 16- to 20-page full-color seasonal magazine. One thing that has never changed however is that, with the exception of some good information from outside sources along the way, most of the content has always been written and published by us.

Many people ask where the name comes from. Years ago, the name of our company was Envision Financial. When I was thinking about writing a newsletter, the word that kept coming into my head was "visionary." Eventually, I combined the two and the "Envisionary" was born!

There are several key reasons why we have taken the time over the years to do what very few other financial planning firms in this country do — write our own newsletter. First, we feel it's important to reflect on what is going on in the world and in the lives of our clients on a timely basis. We often write about commentary we receive or items relating to significant life events. Second, we believe it's our role to help our readers sort through the endless amount of information out there and

convert it into knowledge they can directly apply to their lives. Third, our newsletter is a primary communication tool to let you know what is going on with us. Our relationship travels in both directions and we like to keep you informed on what is happening with our team. Fourth, I have always had a passion for writing and this newsletter provides a wonderful outlet for me. Finally, as a firm, we are very much involved in what's going on in the industry, markets, etc. We believe we have something truly different to offer as it relates to our people, processes and client experience, and do our best to lead the field where we can.

While I admit it's fun and even emotional to reminisce about the past, what we are most excited about is what is yet to come. As we continue to mature and build a team which exists to serve our clients' needs, you will be hearing from many of the voices in our firm. They all have unique perspectives on what we offer and we continue to hope your lives are better with us in it. Look for many new topics and stories which are always written with our "best clients in the world" in mind.

Thank you for taking the time to read this publication over the years. There are no words to describe how thankful we are.

Looking back, moving forward...

Celebrating Our 100th Newsletter

Over the past 25 years, we've published 100 newsletters. A lot has changed during that time including our company's name, the newsletter's name, our design, logo and team. But many things have stayed the same.

In each and every issue, we share our own writings, perspective and desire to help with all of your financial needs. Here's a fun look at the evolution of The Envisionary newsletter.

IT BEGINS
1995



1995

July 1995, Interest International publishes Volume 1 of the *Interest Outlook*.



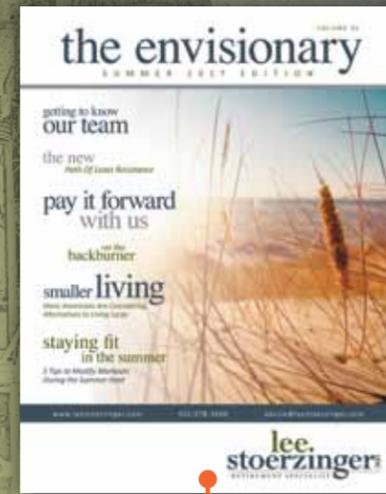
2000

In 2000, we become Envision Financial and *The Envisionary* is born!



2006

In 2006, we are renamed as Lee Stoeninger, Inc.



2017

2017 debuts *The Envisionary* as you know it, until NOW!



1998

1998 brings a new look to the *Interest Outlook* – in color!



2004

In 2004 *The Envisionary* moves from clip art to real photos.



2011

2011 delivers a fresh, new look.

See our new look on page 19!

2020
OUR JOURNEY CONTINUES!

The State of Our World

Written by
Lee Stoerzinger, CFP®



In the hundreds of meetings we have with our clients each year, the questions that come up most often are related to what we think the markets will do, what's going on in the economy, how that affects their investments, etc. They often seem driven by current events, politics, and perceptions built upon recent information. This led me to develop some commentary that addresses these things directly, but maybe in a way that is different than you expect.

First, the easy stuff. Regarding the economy and markets, we work with money managers and economic experts all over the world. Based on our research and experience, we believe that while there are some shifts occurring around the globe, they are more cause for changing how we think about investing rather than cause for worry. These changes happen and are part of economic cycles. Some examples of this are significant declines in stock buybacks and continued government interventions when it would first appear none is needed. For more than a decade, U.S. stock markets have provided much of the returns and many investors have abandoned their long-term strategies. In fact, we are just finishing an unbelievable year for the U.S. markets. Defying much of the herd, we think we have entered a new period where globally diversified risk managed portfolios will provide more opportunity. Part of the reason is simply based on changing trends and the other is that we will need a deeper box of tools to deal with the future economic environment and lower return expectations for stocks.

With all that said, we believe there is something missing from the above questions, as well as the commentary. Sticking to external factors, there are several things which concern us as we move through time. First, the sheer amount of information we are all taking in and how we receive it seems to be changing how we view history and make decisions. Second, we seem to have entered a cycle where societal tensions are on the rise. We believe this will increase significantly and that we are still in the early stages. Finally, the wealth gap between those at the bottom and top of our society is staggering and has only been this way several times throughout world history. Previous journeys tell us this cannot continue indefinitely. These items may not seem like they are directly related to our meetings, financial planning, or specific market returns. However, they are whirlwinds operating in the backdrop of our society and are making it more difficult to define what we value, and what we want our present moments to look like. And by the way, they all create uncertainty. Markets don't like uncertainty. We ignore them at our own peril.

We are a wealth management firm that helps our clients gain a greater understanding of how money works in their lives. Investing for returns is only part of the picture. Building solid plans based on goals, managing through life events and creating legacies is often where the real work is done. Wrapped in that is often behavioral finance and processing the external world as money is often as emotional as anything. Therefore, we like to provide commentary like this, as it's not only what is going on out there, but often how we react to it that matters.

When I think about the state of our world, I am reminded of the old Charles Dickens book, "A Tale of Two Cities." It was the best of times.... Well, you know the rest.



Our Introduction Process

Written by Lee Stoerzinger, CFP®

'If this person is important to you, then they are important to us. We will make the time to talk with them.'

Over the years many people have been introduced to our firm, mostly through referrals from existing relationships. However, we often receive calls asking if we are taking on new clients, if they can get permission to have someone contact us, what our procedure is, etc. We felt this would be a good opportunity to share more about our introduction process and offer some clarity.

We provide an array of value-added services. One of them is that we make ourselves available as a sounding board to the friends and family members of our clients. It is a by-product of our process and relationship.

You may encounter someone over the course of our relationship who might benefit from the services we offer. Someone you know may have uncertainties about the markets or their portfolios or perhaps they are going through a critical financial event. Maybe they are simply dissatisfied with their advisor. When a situation like this occurs, you should know that if this person is important to you, then they are important to us. We will make the time to talk with them.

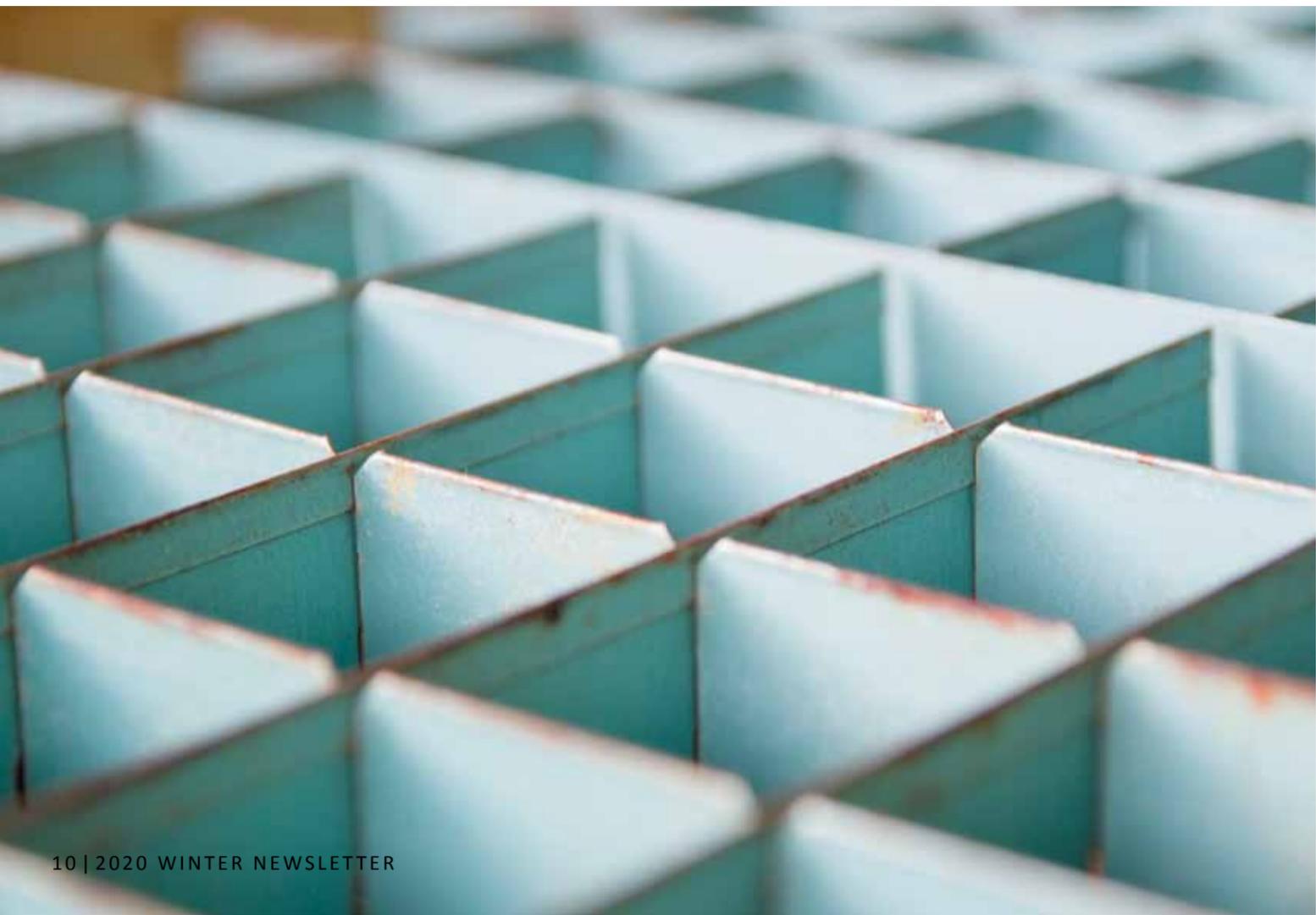
If you have someone you'd like to introduce to us, the first step is to give us a call so we can learn more about them. We will then initiate a call and mail some information to them so they have a better understanding of who we are and what we do. We then follow-up with a phone call to answer questions and see if they are interested in setting up a meeting.

At a first meeting, we would spend time getting to know each other in order to determine if we can provide what they are looking for and, equally important, if they are a good fit for our philosophy and approach. We recognize it's an important decision for everyone.

There is no guarantee this person will be a fit for us as a client, but that is irrelevant. They are important to you. In addition, it is not your responsibility to determine their qualifications. If it turns out not to be a good fit, we will do everything we can to point them in a direction that is beneficial to them. Know that everyone you send to us will always be treated with the same level of professionalism you have experienced with us.

WHAT DOES DIVERSIFICATION MEAN TO YOU?

Written by Andy Roth, Operations Manager



The phrase “Don’t put all your eggs in one basket” is something many of us were taught as children. Not being reliant on one outcome keeps our options open so we can adapt to the future. In the world of financial planning this concept is translated as diversification. If you Google this, the first page of results are nearly all money management related.

So how do we define diversification? When we diversify, our goal is to build portfolios that spread the investment among multiple asset classes with the goal of finding portfolios less correlated to the “market.” This involves using stocks and bonds, both domestic and international, and occasionally alternatives, with the aim of reducing risk. The goal is to make success less dependent on the outcomes of one corner of the global market.

Some people perceive complexity as diversification. This involves spreading accounts among multiple institutions as they attempt to diversify, but it can have unforeseen consequences. As an example, maybe you’ve got two different retirement accounts left over from employer changes, or multiple brokerage accounts. You might ask, *if spreading my money among different asset classes is a good idea, why wouldn’t I want to spread it between organizations, or even professionals?* In our experience this adds complication to the execution of a financial plan and can actually increase risk.

For starters, risk can be duplicated. If I hold multiple large cap investments at different institutions, this may look

like diversification, but in reality, they are likely correlated to a single benchmark. This means they’ll deliver similar experiences during the same market cycles. We frequently see this phenomenon when we meet with new clients and realize there is more risk on the table than originally thought.

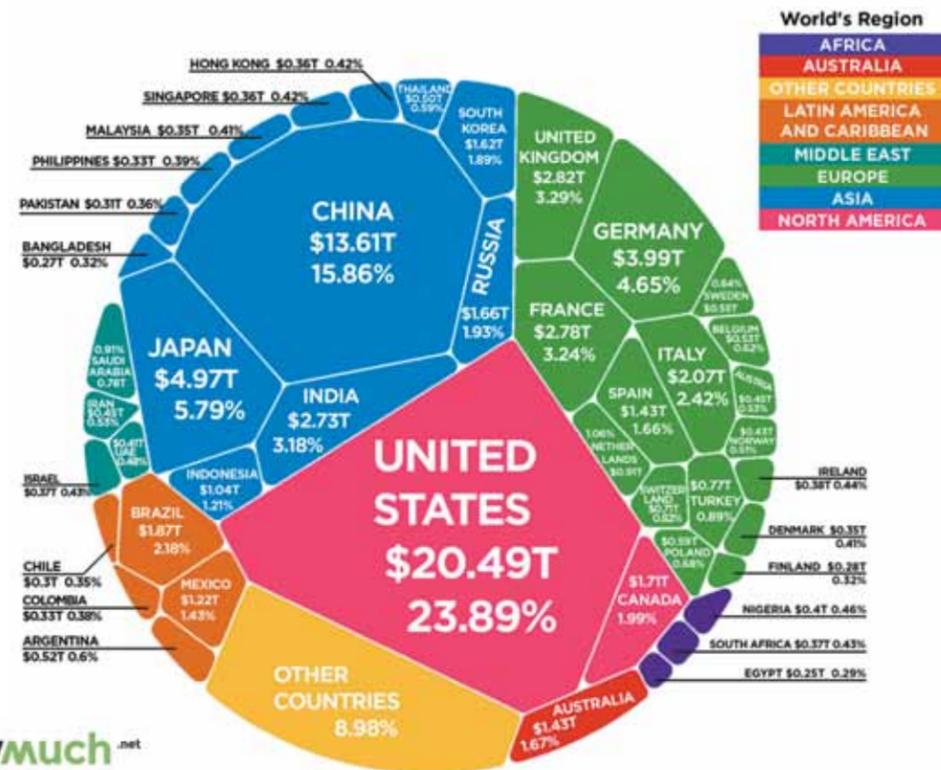
Secondly, coordination can be difficult. If tax management is a goal, the benefit of one management style can be offset by the trading activity and distributions of another. If required minimum distributions come from multiple places it can be tough to track if this obligation is met. Additionally, the idea of getting multiple statements and prospectuses can be downright overwhelming.

Finally, when accounts are spread among multiple institutions, creating and implementing a financial plan is a challenge. It’s tough to conceptualize where money comes from to fund retirement, or how you’ll be able to accomplish your other goals. Individuals seek the advice of financial planners to provide clarity and assurance as they tackle life’s milestones—trying to translate varied advice can degrade the value of these relationships. How do you know where to go when you’re being provided with two different maps? When you distribute partial information to multiple parties, you have essentially hired yourself to coordinate your own financial planning, and having money scattered in different places can lead to sub-par outcomes and extra uncertainty.

Remember to not put all your eggs in one basket but try to keep a clear and organized vision of where you’re carrying them!

Asset allocation and diversification do not ensure a profit or protect against a loss.

THE \$86 TRILLION WORLD ECONOMY



This interesting graphic charts the most recent composition of the global economic landscape. The data comes from the World Bank's July 2019 update and uses nominal GDP to measure economic output.

The United States is the top economy with a nominal GDP of \$20.49 trillion which represents nearly one quarter of the

total world's GDP. Also of note, the top 15 economies together represent a whopping 75% of the total global GDP, which adds up to nearly \$86 trillion according to the World Bank.

Article & Sources:
<https://howmuch.net/articles/the-world-economy-2018>
<https://databank.worldbank.org>

TRIVIUM

Definition: Studies intended to provide general knowledge and intellectual skills.

What is the oldest continuously inhabited city in the world?

Email your answer to advice@leestoerzinger.com or call us at 651-578-1600. All who contact us with the correct answer will be placed in a drawing for a \$30 gift certificate of your choice.

Congratulations to Cheryl H. who was chosen as our Trivium winner from last quarter. Cheryl correctly answered "Maine" to the question: What is the only state that borders only one other? Dion R., Wade G., Jerry S., Bill F., Carolyn W., Mel F., Amy L., Jackie C., Mike B., Wendy R., Jim K., and Meagan K. also answered the question correctly.

IRS Announces 2020 Plan Contribution and Benefit Limits

The Internal Revenue Service announced cost-of-living adjustments (COLAs) affecting dollar limitations for pension plans and other retirement-related items for the 2020 tax year.

The highlights of limitations that changed from 2019 to 2020 include the following:

- The 415(c) contribution limit applicable to defined contribution retirement plans increased from \$56,000 to \$57,000.
- The 401(a)(17) annual compensation limit applicable to retirement plans increased from \$280,000 to \$285,000.
- The elective deferral limit increased to \$19,500.

See the chart below for further details for the new 2020 limits, as well as those for recent tax years.

	2020	2019	2018	2017
RETIREMENT PLANS				
Annual Compensation Limits - 401(a)(17)/404(l)	285,000	280,000	275,000	270,000
Elective Deferrals 401(k)/403(b) - 402(g)(1)	19,500	19,000	18,500	18,000
Catch-up Contributions - 414(v)(2)(B)(i)	6,500	6,000	6,000	6,000
457 Elective Deferrals - 457(e)(15)	19,500	19,000	18,500	18,000
Defined Contribution Limits - 415(c)(1)(A)	57,000	56,000	55,000	54,000
Annual Compensation Grandfathered Governmental Plans	425,000	415,000	405,000	400,000
OTHER				
Highly Compensated Employee Threshold - 414(q)(1)(B)	130,000	125,000	120,000	120,000
Defined Benefit Limits - 415(b)(1)(A)	230,000	225,000	220,000	215,000
Key Employee - 416(i)(1)(A)(i)	185,000	180,000	175,000	175,000
Social Security Taxable Wage Base	137,700	132,900	128,400	127,200
IRAs				
IRA Contribution Limit - 219(b)(5)(A)	6,000	6,000	5,500	5,500
IRA Catch-Up Contributions - 219(b)(5)(B)	1,000	1,000	1,000	1,000
SEP				
SEP Minimum Compensation - 408(k)(2)(C)	600	600	600	600
SEP Maximum Compensation - 408(k)(3)(C)	285,000	280,000	275,000	270,000
SIMPLE Plans				
SIMPLE Maximum Contributions - 408(p)(2)(E)	13,500	13,000	12,500	12,500
SIMPLE Catch-up Contributions - 414(v)(2)(B)(ii)	3,000	3,000	3,000	3,000

All figures in US dollars.

Source: www.irs.gov



Please Paint My Fancy House

Written by Lee Stoerzinger, CFP®

A little over a year ago, Maggie and I followed a dream and purchased a historic home in Stillwater, MN. A total restoration was planned. Like many old homes, when you finally uncover everything the project takes on a life of its own. So does the budget. This was no different. I found myself watching the movie “The Money Pit” to make myself feel better. Anyway, it has been quite a project, taking over a year to complete but most of the pieces have finally fallen into place.

While it has been a fun story to tell, especially the nostalgia of finally owning a home in Stillwater, there is a sub-story which unfolded along the way that was quite unexpected but, I believe, carried a strong message... One we have not really shared until now.

In early fall, just as everything was coming together and the stress was at its peak, we decided to paint the outside of the house to clean it up a bit. I had been introduced to a guy earlier in the summer who mentioned he could paint for us if need be. Under some significant time constraints, we decided to move forward with him as our painter. But very quickly he became unreliable, often not showing up for the job.

One night, Maggie met him to get some supplies. As the night unfolded, talking schedules, she realized that he and his family, a wife and three young daughters, were homeless. He needed the work but was under severe stress. During that same week, we received a call completely out of the blue from an old friend who had moved out west. We had not heard from her in several years. She simply wanted to reach out to us and let us know she was homeless, living in her car, and wondered if there was anything at all we could do to help her. A few weeks after that, someone very close in my family suddenly appeared back in my life after a “falling-out” a year earlier. He asked for some help and said he had been homeless for most of the spring and summer. I had no idea. We started to wonder what was going on. Just as we were building our house, we were becoming surrounded by people in our personal lives who didn’t have a home.

‘Sometimes we take our eye off the ball... and need to refocus...’

As people, we come from all walks of life and have varying beliefs, faiths, and values. My guess is that this story is something that would get most people’s attention. After all, why right then all at the same time? Why not last summer, or two years ago? Whatever the reason, it is something which profoundly changed our current path. What we were thankfully reminded of is this, no matter how cliché: Sometimes we take our eye off the ball in this world and need to refocus our lenses. Second, your entire life can change in a literal moment. In addition, when you seek to truly help those in need, you realize just how much your cup is overflowing.

We will leave it to a final judge as to how we may have handled what was placed before us. All I know is, never again will I sit around and complain while waiting for someone to paint my fancy house.



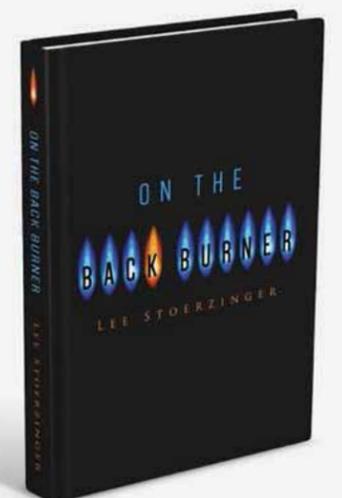
“There is not and can never be a ‘perfect decision.’ We must aim for balance keeping our values intact and our motivations healthy.”

(excerpt taken from Lee’s book, *On The Back Burner*)

Check out Lee’s book...
On The Back Burner

It’s a timely read uncovering the things we say are most important, but have put on the back burner of our lives.

[amazon.com](https://www.amazon.com) **BARNES&NOBLE**
BOOKSELLERS



The Purpose of our Annual Client Party

Written by
Lee Stoerzinger, CFP®

Vince C. and Cindy C., client since 2017, enjoy time with Financial Advisor Matt Benson



Ken and Sharron N., clients since 1994, share conversation with Lee



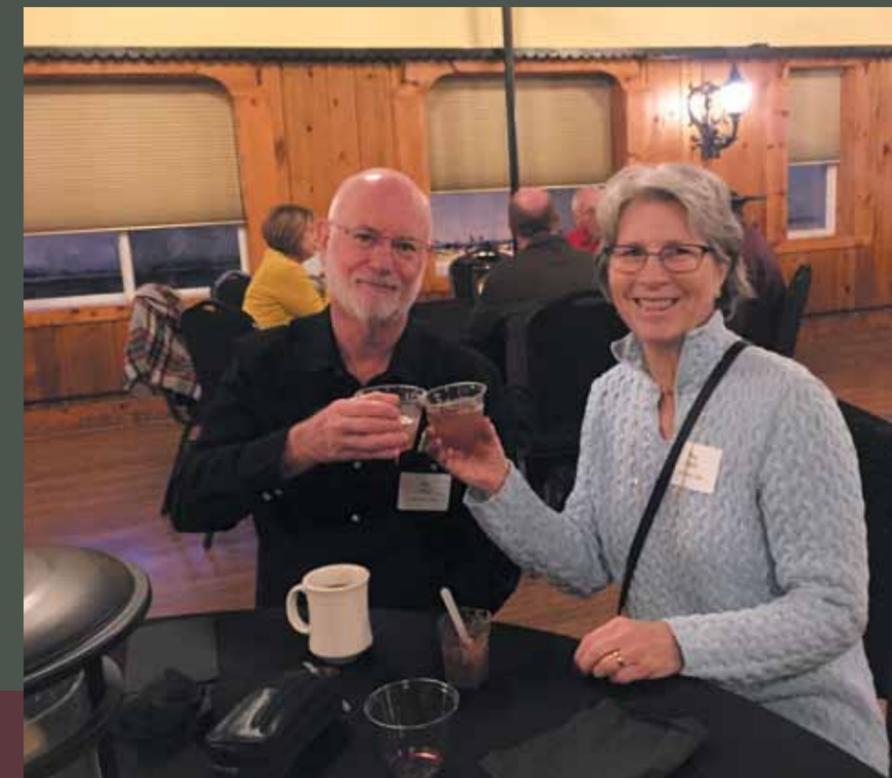
Barb S. and Nancy H., client since 2011, formed a new friendship at the party

Julie E., client since 2009, having fun with her husband Jim



Our annual client appreciation party has evolved from humble beginnings into quite a celebration over the years. It is a great opportunity to thank our clients for their friendship and business. With that said, we often receive questions asking why we take the time to put on such a large event. Great question.

Growing up in an Italian home, we were always getting together with extended family and friends. It seemed there was a party every weekend of the year. From an early age I learned that when people come together for no other purpose than to enjoy each other's company, share a meal and maybe even a good drink, life happens. We are living in a world today where many things compete for our time. As we go from place to place, it seems there is not much room to sit back, relax, and live in the moment. So we figured we would offer a special time for us to get together and truly enjoy each other's company. We can't think of a better way to spend our time or resources, and are truly grateful for the opportunity to be with all of you.



Cheers to Dick L. and Meg S., clients since 1996



Financial Advisor Matt Benson with Paul B. and Jeff P., clients since 2019



Lee hanging with Craig P., client since 2004



Chris and Mel F., clients since 2015, with Operations Manager Andy Roth and his wife Christine



New year, NEW LOOK!

Over the past several years, our team spent significant time evaluating the Lee Stoerzinger, Inc. brand. We looked at this from several perspectives; evaluating our mission statement, philosophy, processes and client experience. We had thought-provoking and meaningful discussions about who we are, what we value, and what we desire for ourselves, our firm, and our clients.

From these conversations, we created a new visual look - one that more accurately depicts our company. We all agreed the symbol of a full, blossoming tree with deep roots is the perfect representation of who we are and what we value. Trees symbolically represent nourishment, growth and life while deep roots convey strength, stability and security.

We're excited to bring this new look to life on our new website which will be up and running soon. Look for an announcement in the coming weeks regarding the launch of our updated website at leestoerzinger.com.



LEE STOERZINGER
— WEALTH MANAGEMENT —





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LEE STOERZINGER

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Matt Benson
Financial Advisor



Andy Roth
Operations Manager



Maggie Stoerzinger
Relationship Manager



Christy Frost
Marketing Strategist



Nicole Ford
Client Services & HR Generalist

Since 1993, Lee Stoerzinger Wealth Management has been helping individuals and families plan for what matters most. Through the unique approach of merging personal values with financial goals, Lee and his team create customized wealth management solutions that are meaningful, comprehensive and designed for optimization. Our pride and success derive from our trusted relationships, best-in-class processes, and our unwavering commitment to helping clients realize their life and legacy goals.