

Financial Insight

Security For Generations



1st Quarter 2021



2020 MARKET RECAP AND 2021 OUTLOOK

Despite the havoc wreaked on many sectors of the economy, the stock market still managed to have a stellar year in 2020. Even the optimists among us did not envision finishing this year in such a strong manner, particularly during the worst moments of the spring downturn. For a variety of reasons, we also remain relatively bullish when looking at the year ahead.

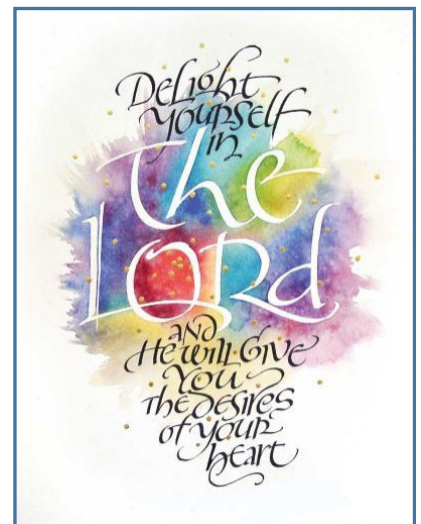
The S&P 500 ended 2020 up 14%. However, that number does not tell the full story. Within the S&P 500, growth stocks were up 28% while value stocks were down 2%. That is a 30% spread in relative performance! The difference is even more dramatic when we look over the past few years. Growth stocks have been on an absolute tear. However, unlike the tech bubble of the early 2000s, many of the large growth companies are quite strong in their business fundamentals and profitability. We expect growth stocks to continue to do well, but it seems likely that value-oriented stocks are due for a recovery.

In 2021 it is challenging to say the least to predict how the damage done to the economy in the past twelve months, including how closed businesses and higher unemployment balance against the coming re-opening of the economy, pent-up demand and a major desire to get back to normal. We do not know what the net effect of the many moving pieces of this puzzle will be. However, we do believe the overriding factor that will drive market performance in 2021 is global stimulus. We anticipate positive market returns driven by continued massive stimulus across the globe. In the U.S. alone it appears we will have between \$1.5 and \$2 trillion in additional stimulus on top of the nearly \$1 trillion a few months ago. Other countries are taking similar approaches. While these strategies are not without long-term implications, we expect the near-term benefit to the markets to be positive.

The collapse and subsequent recovery of the market in 2020 serves as a stark reminder of the importance of a disciplined approach to investing. We certainly did not know exactly when the markets would rebound, but we knew they would. From its lowest point in March, the S&P 500 is up nearly 70%. Investors who panicked and sold at the wrong moment missed out on that incredible recovery. We will continue to monitor your portfolios with diligence and make changes to best help you capitalize on the opportunities that present themselves in this rapidly changing world.

Wishing you the best in 2021!

Aaron A. Lindberg, CFA®, CFP®, MBA
Chief Investment Officer



**It took me seventeen years to get three thousand hits in baseball.
It took one afternoon on the golf course — Hank Aaron**

2020 GIVING

Wow! What a year of generosity. You are such an amazing group of individuals! We at GEN are so thankful to be a part of your lives. 2020 was the first year we began to track charitable giving and are excited to share the results with you. We only tracked the giving done via GEN Financial, so your total generosity far exceeds these numbers. We tracked:

- 1) direct gifts of investments,
- 2) qualified charitable distributions from IRA accounts,
- 3) grants from donor advised funds.

We also included GEN Financial's corporate giving, the 'holiday' gift match, GEN employees' gift match, as well as GEN Children's Charity 2020 Golf Open which raised funds for Hospitality House.

The total distributed to charities in 2020 was in excess of \$1.3 million!

We also established 13 new donor advised funds during the year. Please feel free to reach out to any GEN team member if you have questions about enhancing your giving strategies.

Truly, thank you for allowing us a window into your generosity. We look forward to partnering together to continue to grow these numbers all in an effort to help each other, our communities and the world!



2020 TAX FORMS

Charles Schwab

www.schwaballiance.com

Fidelity Investments

www.fidelity.com

Fidelity NetBenefits

netbenefits.fidelity.com



Tax forms have begun to post on both Schwab's and Fidelity's websites. We recently emailed out "how-to" videos detailing how you can access these. For those of you who are set up to receive tax documents via mail, they will continue to be sent that way. The electronic access simply provides another opportunity to retrieve the information. If your forms are not posted yet they should be available online by February 19, 2021. We recommend waiting until late February to set your tax appointments to ensure you have all the necessary documentation.

We remain mindful of selecting investments that do not create unnecessary tax challenges, but amendments still happen periodically. Charles Schwab and Fidelity Investments will always get you the information as soon as possible. There are occasions where an underlying investment amends their reporting and when this occurs, you will be notified.

As a reminder, we will need a copy of your 2020 tax returns to provide you the best financial advice. We would greatly appreciate it if you would ask your tax advisor to forward us a copy when they are complete or simply post the documents to your GEN portal which will allow us to securely access this key information. Thank you!

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Always seek professional advice before making any decisions.*

We welcome your thoughts, comments and suggestions regarding our newsletter.
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