

• Firm Update by Jim Steffen, CFP®, President



I am often asked, “How’s business?” And much like, “How are you doing?” the response is usually somewhere between good and great. Fortunately, that is really the honest answer. We have been blessed at Trott Brook Financial to grow our business one introduction, and one client at a time. Referrals have always been the foundation of our growth strategy. You will never see us with a highway billboard, hosting a radio show, or doing

a direct mail campaign. We’d rather spend our time delivering thoughtful, proactive service to our family of clients. Less time prospecting means more time serving. I believe that is the best marketing we can do.

We understand the trust and confidence that is required to recommend a friend or family member to our firm. We’ve all had an exceptional service experience, whether from a restaurant, a retailer or a plumber, that we can’t wait to share with someone. We want that someone to share the same experience that we had. It feels good to know that our friends will be well taken care of. Every day at Trott Brook Financial we strive to create an environment that makes our clients feel good.

Your referrals are the greatest acknowledgement of the good work that we do. A tradition we have, although rarely mentioned, is our annual “New Client Event.” It takes place every fall when we invite all our new clients from the past twelve months, along with the person or family that referred them. For several years this event has taken place at my home. This year we are changing the venue to “The Cork” in downtown Anoka. Lisa and I love the Cork and owners. Bob and Billy (who are brothers), are generous enough to open their restaurant just for us. If you are a new client or have referred us one, mark your calendar for September 19th and watch for your invitation next month. It’s going to be a fun evening! If you know of someone that could benefit from working with us, there is still plenty of time to get your name on the invite list!

Another tradition that we enjoy is hosting the Trott Brook Financial Benefit Bash. You’ll find your invitation enclosed. For thirteen years, Trott Brook Financial, along with our many corporate sponsors, have raised money to fund college scholarships. Again, the Ann Talle Anoka Area Chamber of Commerce Scholarship Fund and Youth First Community of Promise will be the beneficiaries. The Bash will be held on August 24, 2017 at the Draw Park located just one block north of our office. The GB Leighton Band will be performing, along with several food trucks being on hand. I hope you’ll join us and help support the cause.

You will notice a new face as you turn the page to the Personal News. We are thrilled to welcome Robin Harrison to Trott Brook. Robin joined us earlier this year and is a valuable member of our team. As a relationship manager, she has been busy meeting our clients and assisting with the financial planning process. In addition, she is working hard to develop relationships within her network and expand our reach within the community. As our firm continues to grow, so does my expectation of the service that we deliver to our clients. I am thankful for a phenomenal team that allows that to happen! Enjoy what remains of summer and I look forward to connecting with you soon.



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• Commentary by Ted Erhart, CFP®, Financial Consultant



This year I “discovered” something really cool, audio books. If you don’t recall, last summer we had a lot of rain. The grass grew at a pretty fast rate the entire season. I have about three acres to mow. Let’s just say that by the end of last summer, I was sick of sitting on a mower. Now that I started listening to audio books, I actually look forward to it.

The first book I listened to was the recently published memoir by Edward Thorp titled, *A Man For All Markets*. The title is very appropriate. Mr. Thorp holds a Ph.D. in mathematics and taught at UC Irvine. But he’s much more famous for inventing the now widely known system for counting cards in Blackjack. After successfully testing the system in Las Vegas (and getting black-listed from many casinos), he went public with his methods in the now famous book, *Beat the Dealer*.

Perhaps more amazing, Mr. Thorp, along with another legendary academic, Claude Shannon, built what is now considered the first wearable computer in an effort to predict roulette. They tested the hardware in Las Vegas with great success. However, the earlier success of his Blackjack card counting system had made Thorp largely unwelcome in many casinos. Satisfied by the fact the fact that their computer worked even better than they had anticipated, and not wanting to spend all of their time in smoky casinos trying to avoid detection, Thorp and Shannon decided to move on.

Thorp ended up moving on to what he calls, “The greatest casino on earth,” Wall Street. After losing money on his earliest investments, Thorp learned from his mistakes and adjusted strategy to incorporate his knowledge of mathematics and statistics. He ultimately set-up what was to become the first purely quantitative investment firm, Princeton Newport Partners, in the late 1960s.

In the age of computers and high frequency trading, it was really interesting reading about the history of quantitative investing. This was an area I knew very little about. Thorp’s firm was extraordinarily successful until it closed in the late 1980s. The strategies it pioneered inspired some of the wealthiest people on Wall Street today, including Ken Griffin of Citadel, James Simons of Renaissance and Bill Gross, the founder of PIMCO.

If you’re looking for some good summer reading, I would highly recommend this book. Not only will you learn a lot, but you’ll be entertained by Thorp’s life story which includes early encounters with Warren Buffett, just as he was beginning to take over Berkshire Hathaway, and later the infamous Bernie Madoff who perpetrated the greatest Ponzi scheme in history.

I’m currently working through *The Undoing Project*, by Michael Lewis. It is the story of two Israeli psychologists who pioneered research in the area of human decision making. So far it is absolutely fascinating.

These men basically figured out how the brain is set-up to systematically make decisions. In short, these processes work pretty well on average keeping us alive, but they can also lead to catastrophic errors in judgment, particularly in a modern society. Although I haven’t finished as of this writing, I would also highly recommend this book if you are interested in making better decisions.

Happy reading.



Jim & Lisa Steffen

With both kids soon to be starting High School, Lauren (Senior) and Tommy (Freshman), their schedules have been busier than ever. Lauren was a starter on the Legacy basketball team and is now third all-time for her three point shooting percentage! She has taken the ACT test twice and has started her college search. She's still not sure if she will stay close to home or leave the state....stay tuned. We spent Spring Break in Arizona with Lisa's family followed by Lauren and Jim having some father/daughter time together at the LPL conference in Fort Lauderdale. Since the first warm day in February, Tommy has been consumed by golf. He played on the Legacy varsity team as an 8th grader and received all conference honors. He has competed in several junior PGA events this summer and practices at Rum River Hills (where he also works) every chance he gets. He spent a week in Fargo on a mission trip serving the homeless and visiting nursing homes and found it to be a life changing experience. We are looking forward to a family vacation in the Blue Ridge Mountains of South Carolina. It's hard to believe our summers "with kids" are numbered!



Nikki Cellette

It's mid-July and I am *finally* starting to enjoy what is left of summer. Our oldest child Zach graduated in June from Elk River High School. How in the world did this happen so quickly and am I old enough to have a son who graduated? Please don't answer that question! A blur of graduation party preparation and emotions as we enter a new chapter in all our lives. Zach will be continuing his education by pursuing his generals this fall at Anoka Ramsey Community College. That gives me two more years to have my boy living at home (which I'm actually happy about)! My daughter Brooklyn is busy as usual with summer hockey, sleepovers, Wisconsin Dells and swimming. My husband George's job continues to be crazy busy and he enjoys his free time at the golf course. We are all very anxious for our upcoming week in the Motley area for our annual summer vacation with our extended family (40+ members). My idea of heaven is floating in the lake, boating, sunsets, bonfires and having our two kids in the same place at one time for an entire seven days!



Ted Erhart

The year 2017 has been one of adjustment. My wife Kelly went back to work in January after several months of maternity leave. Working in St. Cloud, the commute requires leaving early in the morning and getting home well into the evening hours. This has meant daddy duty for me which entails getting the baby out of bed, fed and to daycare in addition to pick-up at the end of the day. This schedule grew tiresome, especially for Kelly, in recent months so she accepted a position back where she started her career, Mercy Hospital in Coon Rapids. The change has been nice as her commute time was cut in half which made a huge difference. I'd have to say mom and baby are both happier and I've been partially relieved of "daddy duty." With the new baby and a one year old dog, we didn't manage to take any winter vacations. Most of the time I've taken off this year has been to work on home projects. Thus, in addition to being the year of adjustment, it has also been the year of getting projects done. In the coming months I'm really looking forward to doing some waterfowl hunting with my Chesapeake Bay Retriever, Sadie. Fall will be here before we know it!



Krisandra French

I hope everyone enjoyed their winter and were ready for summer as it felt like we skipped over spring. I don't remember turning on my A/C the first week of June in a very long time. In March we were blessed with our second grandchild. Ella was born on the 13th. What a joy it has been to have a little girl around! Our grandson, Jaxton, sure loves his little sister. He is growing up so fast. He turned three in April and has a personality like no-other. He really enjoys staying overnight at Grandpa and Grandma's. If he could, I think he would stay over every time he comes to visit (which is weekly)! My son Zach will be a senior this fall at Anoka High School and it's so strange to think that my baby will be graduating. My husband John and I are keeping busy and have been enjoying the summer. John still golfs four or five days a week and I, well, I ride along a time or two but have not played this year. I've been focusing on baking and took up a new hobby, knitting. I made my first baby blanket for our granddaughter and then of course Jaxton said, "Gramma, I need a blanket too," so I made him one too (he takes it everywhere). The next knitting challenge is a scarf for my daughter for Christmas. I figure being an empty nester soon I better find things to occupy my time. I hope you all enjoy the rest of your summer!



Robin Harrison

The first half of 2017 has been full of excitement. I am proud to have partnered with Trott Brook Financial and to be part of such a great team that shares my values! Life experiences have drawn me to this profession to make a positive impact in the financial well-being of others. Currently I'm focusing my time on connecting with professional women and their families, the golf community, professional sports agents/athletes, and designers. I'm working hard in these efforts to develop and foster enduring relationships because of our common passions and interests, and my desire to help them achieve their financial goals.

My family and I spent spring break in the Scottsdale, Arizona area to celebrate our wedding anniversary, have some fun in the sun, and to support our son Garrett and some of his buddies with the Dodgers organization during spring training. We really enjoy our time in Arizona as we love to take in some rays while we golf, attend professional sporting events, hike, seek out healthy eating locations or try new physical activities such as aerial yoga. Our middle son John enjoyed this past year at the University of Northwestern in St. Paul; and our youngest son Trent was thrilled to have made the varsity golf team this spring as an eighth grader at Legacy Christian Academy. Schedules are always busy around the Harrison household!

A more balanced approach