



the intersection

Where Community and Opportunity Meet

A LETTER FROM TIM PURMAN — PRESIDENT/CEO

In 1907, movies were a nickel, an enterprising teacher developed the first paper towel, and the electric washing machine made its debut. **It also was the year Forte Bank first opened its doors.**

2022 marks Forte Bank's 115th anniversary. *Only five percent of independent, community banks have been in business for more than 100 years.* As I reflect on the bank's longevity, it's worth noting that there are very few businesses, regardless of whether they are a financial institution or not, that have been around for 115 years.

I believe the bank's success can be attributed to the tremendous job it's done of supporting its customers, its employees and the community. These three things are the bedrock of Forte Bank and without getting those three things right, our chance of success is limited.

First and foremost, **our job is to augment our customers' success.** We wouldn't be successful without our customers. Secondly, Forte Bank has been **blessed with excellent employees** who have a history of providing superior customer service. It's not

just the employees of today, but the employees of 50 and 100 years ago as well. Lastly, the bank consistently has made an effort to **give back and support community projects.** We feel it's critical to support the community that supports us, because again, we wouldn't be successful without our customers.

I would be remiss if I didn't also mention the contributions of the local citizens who have served on the bank's board of directors over the years. These individuals have provided insight and guidance that have helped the bank flourish and remain independent.

While we now live in and experience benefits of a global economy, I don't think the significance of a local community bank can be overstated.

When you bank locally, your money is reinvested in the local economy connecting us all and giving everyone a stake in the financial success of the community. But even more than that, our shareholders and employees are local citizens. We live and work in this community and we want to see it grow and prosper just like everyone else. We are both personally and professionally invested in this community.



I witnessed firsthand how Dennis Carroll, the president who preceded me, was engaged in the community, knew our customers' names, and was supportive of community events. I'm confident these principles were passed down from the presidents before him, and we will continue passing them on for the next 115 years.

***We are eternally grateful to all of you for supporting us.** We wouldn't be here without you. If you know someone who is not our customer, we encourage you to refer them to Forte Bank so they, too, can experience the value of an independent community bank.*

Spring/Summer recipe

Hot Bacon Potato Salad

We all need a go-to summer side dish recipe, right? This German-style potato salad recipe comes from our 110th Anniversary Cookbook and was submitted by Laurie Hilger. Laurie said this recipe was always requested by all of her family members for their gatherings over the years. Laurie recently retired as Chief Financial Officer at Forte Bank after 19 years – read more about her on the next page.

5 medium potatoes, unpeeled (about 1½ lbs.)
8 slices bacon, crispy cooked and crumbled
3 green onions, finely chopped
½ cup mayonnaise
¼ cup vinegar

2 tsp. sugar
1 tsp. salt
1 tsp. ground mustard
¼ tsp. pepper, coarsely ground

Directions: Boil potatoes until almost tender; drain well. Cut into bite-sized pieces. Heat coals or gas grill. Mix potatoes, bacon and onions in large bowl. Mix mayonnaise, vinegar, sugar, salt, mustard and pepper. Pour mixture over potatoes. Put in an aluminum 8x8 inch foil pan. Cover with foil and grill over medium heat for 20 minutes, stirring once.



CD Specials – Ladder Your Investment



Forte Bank is offering two CD specials. Consider taking advantage of both to ladder your investment. Investing part of your money in the 15-month CD and part of it in the 28-month CD gives you access to some of your money in a shorter period of time, while also allowing you to take advantage of the highest rate.

15-Month CD Special — 0.55% Annual Percentage Yield (APY)

- \$1,000 minimum deposit
- Interest is compounded and credited quarterly
- Early withdrawals subject to penalty
- Fees could reduce earnings

28-Month CD Special — 1.00% Annual Percentage Yield (APY)

- \$10,000 minimum deposit
- This must be money not previously held by Forte Bank
- Interest is compounded and credited quarterly
- Early withdrawals subject to penalty
- Fees could reduce earnings

Municipal accounts are not eligible for certificate specials.

How to Spot a Car Wrap Scam

Have you seen ads promising easy money if you shrink-wrap your car — with ads for brands like Monster Energy, Red Bull, or Pepsi? The “company” behind the ads says all you have to do is deposit a check, use part of it to pay a specified shrink-wrap vendor, and drive around like you normally would. But don’t jump onto the bandwagon. It’s only easy money for the scammer who placed the ads.

How you spot the “offer”

You might see an ad on a job board or on social media. Or someone might send you a message — maybe because they saw your profile or resume on a job site.

How the scam works

The message says you’ll make a couple hundred bucks. But when the “company” sends you a check, it’s for much more than that — a couple thousand dollars. They tell you to deposit the check, keep part of it as your share, and wire the rest to the “decal agent” that will wrap your car.

Weeks after you wire the money, the check bounces and your bank tells you it was a fake. The money you kept as “your share”

disappears, and the money you wired is long gone — no getting it back. On top of that, you’re on the hook for paying your bank back for the fake check. And, of course, no one’s wrapping your car.

How you can tell it’s a scam

If you get a message urging you to deposit a check and wire money back, it’s a scam. Every time. No matter the story. And if this were a legitimate car wrap opportunity, wouldn’t the company directly pay the car-wrapping vendor, instead of asking you to do it?

Has this happened to you? File a complaint at ftc.gov/complaint — select Scams and Rip-offs, then Counterfeit Checks. Have you seen a scam like this? If so, the FTC would like to hear about it. Let them know at ReportFraud.ftc.gov.

Source: United States Federal Trade Commission, www.ftc.gov.



Laurie Hilger

Congratulations on your retirement, Laurie!

On March 4th, Laurie Hilger, Vice President & Chief Financial Officer, retired from Forte Bank after 19 years. Laurie takes great satisfaction in the fact that the bank has more than doubled in size in less than 20 years. While she is quick to point out she can’t take credit for this growth, she is proud to have helped build the personnel teams that are growing the bank. Laurie also is immensely proud that Forte Bank continues to be an independent, community bank, especially one that is so invested in improving the communities we serve.

Laurie is looking forward to new adventures in her next chapter. She and her husband are planning to spend time traveling, bike riding and hiking. She also plans to dedicate more time to her volunteer interests, including the Hartford Christmas Committee, Hartford Food Pantry, Friends of the Hartford Library and St. Mary of the Hill Parish.

Thank you, Laurie, for your dedication to Forte Bank and everything you’ve done to help us achieve success and ensure a healthy financial future for the bank. We wish you the very best on your retirement!



Doug Persich

Welcome, Doug!

We are pleased to have Doug Persich join us as Vice President & Chief Financial Officer. Doug joined us on February 1 so that he and Laurie Hilger had time to work together before Laurie’s retirement. Doug has worked in banking for more than 17 years and comes to us from Citizens Bank of Mukwonago where he served as CFO since 2016. Doug is a graduate of the University of Wisconsin with a bachelor’s and master’s degree in accounting. He is a Certified Public Accountant and also completed the Graduate School of Banking program at the University of Wisconsin. Doug and his family currently reside in Sussex. Welcome to #TeamForte, Doug!

Rising Inflation *and Your Portfolio*



You have probably been hearing a lot about inflation recently and likely even experienced it firsthand. If you have been looking to buy a car or book a hotel, you really understand. You may have even noticed price increases at the supermarket or gas station. At the supermarket, the largest increases over the past twelve months were for meats, poultry, fish and eggs. Beef, in particular, is up 17.6% over the past 12 months. These price increases hit our pocketbooks and squeeze our finances.

A common question we are hearing is, “what can we do about inflation within our portfolios?” It is a great question and a complicated one. Let’s start by looking at inflation and market returns over the years. If we go back to 1950, there were 32 years when inflation was above 3%. Stock market returns for these years averaged over 10% and bond returns averaged 7.5%. If we adjust for inflation, returns were still positive. However, the magnitude of the inflation is important. Modest bouts of inflation can be good for corporate earnings because it gives companies the opportunity to raise prices, something they have been struggling to do in recent years. So, if we look back at periods of inflation over 6%, stock and bond returns both averaged over 4%, but were negative after adjusting for inflation.

Looking at historical data doesn’t tell us the whole picture though. Historical bond returns are a good example. Currently, bond yields are low and expected to rise. The average bond returns shown in the table above seem out of reach right now. Bond prices rise when bond yields fall. Bond yields have fallen for decades and are poised to finally rise. There are factors that caused these market returns other than just

inflation. Inflation is only one factor and maybe not even the right factor. Economists will tell us that “unexpected” inflation is what really matters. Let’s try to stay out of the weeds though and focus on some other variables. Economic growth (or “unexpected” economic growth) is a large factor that can impact markets as it relates to corporate earnings. Additionally, there are large global factors that impacted these returns in the past, ones that are unique to these periods of time. Since 1950, we experienced the Vietnam War, Federal Reserve policy mistakes, US Dollar depreciation from exiting the gold standard, and the 1973 oil crisis to name a few.

So, the reason inflation is rising could also be important, not just merely that inflation is rising. To complicate matters, the Federal Reserve is watching inflation more closely than anyone. Their actions can throw a wrench into the best analysis, because they can tighten financial conditions and, theoretically, squash inflation. For what it’s worth, the Fed projects core inflation easing to less than 3% next year, which would indicate this current bout of inflation is transitory. If not, the Fed will likely be more aggressive with tightening than what they are currently indicating. We created a Fed Monitor to project these developments.

Hedging the risk of inflation is also difficult. Surprisingly, gold is not always a good hedge, and Treasury Inflation Protection Securities (TIPS) tend to have long durations and may struggle if bond yields rise. While neither of these should be shunned, it is just a good example that hedging inflation is difficult and one single strategy to hedge inflation may not always work. With that said, some potential ways

to benefit from inflation in a portfolio include an allocation to cyclical companies that could possibly raise prices to offset their rising costs or benefit from potentially higher bond yields. These might include companies from classic value sectors such as Industrials, Materials, Energy and Financials. Also, international equities could benefit if the U.S. dollar declines. On the fixed income side, it is difficult to hedge as we noted above, but a safer suggestion is to lower duration, or interest rate sensitivity, by investing in bonds with shorter maturities. As bond yields rise, one can then shift into bonds with higher yields.

We have been warning about the growing risks in the market, including inflation. Economic growth is slowing from very high rates, equity valuations are high, the pace of earnings growth is projected to ease next year, fiscal stimulus is fading, and the Federal Reserve will soon start tightening financial conditions. We expect volatility to rise in the near term. Timing the market or inflation is not advised as people tend to lose more money timing the market than focusing on long-term risk and return goals. We maintain that diversification is the key in this market. One should not put all their nest eggs in one basket, expecting one outcome. In these times, your financial professional can help you stay focused on your long-term risk and return goals and help you with your personalized investment objectives.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow @CeteraIM on Twitter.

Securities and advisory services are offered through Cetera Advisor Networks LLC, member FINRA/SIPC, a broker-dealer and registered investment adviser. Cetera is under separate ownership from and other named entity. Investments are: Not FDIC/NCUSIF insured • May lose value • Not financial institution guaranteed • Not a deposit • Not insured by any federal government agency.

	Inflation Above 3%	Inflation Above 6%
Occurrences Since 1950	32	11
Average Stock Return	11.7%	4.9%
<i>Inflation Adjusted</i>	5.9%	-3.5%
Average Bond Return	7.5%	4.5%
<i>Inflation Adjusted</i>	4.5%	-3.9%

Source: Cetera Investment Management, Morningstar. Indexes: IA SBB1 US Inflation, IA SBB1 US Large Cap Stock, IA SBB1 US IT GOVT.



Introducing Forte Financial Advisors

Many longtime customers of the bank may have referred to it as “FNB” at one time or another — shorthand for “First National Bank.” In 2019, when First National Bank changed its charter and became “Forte Bank,” the moniker “FNB” no longer held meaning. In light of this, Nate Schlotthauer and Kristen Strupp transitioned their business name from “FNB Hartford Investment Services” to “Forte Financial Advisors” on Jan. 1, 2022. Consistency between the two names ensures a more seamless experience for customers. If you have any questions, please feel free to direct them to Nate or Kristen!



Located at Forte Bank

Take a Second Look

If you applied for a home loan and received a loan estimate or loan worksheet from another lender, let Forte Bank have a second look. We'll show you what we can do for you, and if you choose Forte Bank, we'll give you a \$300 closing cost credit!*

Speak with a lender today!



Wendy S. Christenson
Vice President
Richfield Office
NMLS ID# 417436
Direct: 262-670-3889



Lori Mihm
Vice President
Hartford Office
NMLS ID# 417437
Direct: 262-670-3885

Loans subject to credit approval.
Forte Bank NMLS ID# 409428



Apply online at
www.fortebankwi.com/mortgage

**This promotion may not be combined with any other offers, discounts or promotions. Standard credit and collateral underwriting guidelines apply. This is not a commitment to lend. Forte Bank will be able to offer a loan commitment to qualified applicants upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report.*

Borrowers must present: 1) a Loan Estimate or valid loan worksheet with interest rate and lender origination charges issued by a licensed mortgage lender and 2) a loan application with Forte Bank, including requested documentation, in order to determine qualification. Borrowers may only present one Loan Estimate or loan worksheet per competitor for each loan product offered for comparison as part of this program.

Forte Bank recently launched an online service called **Loan Status** so our mortgage customers (purchases and refinances) can check the status of their mortgage application at any time, day or night. You'll also be able to check to see what information is still needed and upload documents directly through the application.

Items Needed From You
Close

The items listed below are needed from you to complete your application.

Use the upload button to securely upload the requested documents. [Click here for a list of supported file types.](#)

Item Needed	Requested	Received	Uploaded	
<input checked="" type="checkbox"/> Provide a copy of the Hazard Insurance policy of no less than \$186,000 - showing Forte Bank as lienholder and new loan #				Upload
<input checked="" type="checkbox"/> Provide a copy of your Driver's License				Upload
<input checked="" type="checkbox"/> Signed tax returns				Upload

Secure Document Center
Close

Loan Status can be accessed directly on the homepage of the Forte Bank website (www.fortebankwi.com) under the "Lending" menu and then under "Mortgage Loans." If you recently applied for a mortgage, you'll receive an email from us about how to access Loan Status.

Summer Banking Hours

Memorial Day (Monday, May 30):
CLOSED

Independence Day
(Monday, July 4): **CLOSED**

Labor Day (Monday, Sept. 5):
CLOSED

Have a beautiful summer!



Your *community* bank. Your *opportunity* bank.

Hartford Office
116 West Sumner Street
Hartford, WI 53027
262-673-5800

Richfield Office
1297 State Hwy 175
Hubertus, WI 53033
262-628-5500

Slinger Office
439 East Washington Street
Slinger, WI 53086
262-644-7606

