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Teberg's healthy respect for risk tempered with planning, flexibility, and meticulous research

Summary: A profile of an alumnus entrepreneur and financial historian.

(November 9, 2011)-Curt Teberg '70 demonstrates a remarkable response to risk. While he exhibits a healthy respect—but not fear—of the consequences, his approach to risk-taking in his personal career and as a professional financial adviser to his clients, is tempered with planning, organizing, flexibility, and meticulous research. A pioneer in the “funds of funds” industry, Teberg’s professional rewards have been many, but above all he gratefully values the opportunity to successfully serve his clients.

A Morris native, Teberg began his post secondary education at St. Cloud State University but transferred when friend Bob Kill '69 encouraged him to attend UMM, a decision he has never regretted. He chose a political science major in response to exceptional faculty in the discipline and his interest in history. After graduation, he planned to attend law school, but funding wasn't available.

“Friend E. Dennis Zahrbock '69 convinced me to move to Marshall and start an insurance agency for him,” remembers Teberg. “So with map in hand, all my clothes, and a \$200 per month salary—guaranteed for one month—I headed for Marshall.”

The endeavor was a success. Two years later, he was asked to revive a struggling agency in Duluth. He continued in insurance for many years and also partnered with a colleague to start a thriving business and estate planning practice.

“As time went on,” Teberg shares, “I became more interested in the investment business and began to focus on in-depth research of historical market trends. By the early '80s, I was spending most of my time studying and marketing mutual funds.”

A longtime “saver,” Teberg was financially prepared for opportunities to assume sole ownership of the company and, in 1988 with a new partner, to establish First Associated Investment Advisors, Inc., of which he became sole owner in 1995.

“Many of the clients I'd worked with on estate planning were self-made individuals like me who had worked hard for their money and wanted to invest in mutual funds without taking too much risk,” says Teberg. “Over many years of research, I had developed a somewhat unique strategy for balancing risk and reward which appealed to these investors. It was rewarding to work one-on-one with them to develop portfolios of mutual funds, some for the first time, which I managed with the goal of controlling risk.”

While starting any company has inherent risk, Teberg says that his next venture, a new mutual fund model, was “a real leap of faith in my abilities and my reputation as an investment professional.” And this time, he started on his own without a partner.

“Over time, my studies of mutual funds became more complex, and I expanded my original investment strategies to include more types of funds in my clients’ portfolios and to manage them more actively,” shares Teberg. “This seemed to meet a need that many people had. They wanted someone to put together a group of mutual funds for them and to try to minimize their risk. I knew the best and most efficient way to achieve this was in a fund of mutual funds, although at the time this was a brand new concept.”

In 2002, after a few false starts, Teberg launched publicly traded The Teberg Fund—without a guaranteed market—when there were only 137 funds of funds in existence. Investing his life savings, Teberg was the first shareholder. From the first day of operation, Teberg was responsible for expenses and the legal, financial, and service fees incurred by the Fund’s custodian.

“Fortunately, my clients enthusiastically supported the Fund and most became charter shareholders,” says Teberg. “We continue our long-term financial partnerships today, along with second, third, and even fourth generations of their families, and many of their friends and neighbors. This was the great reward of taking this risk, and I’m grateful that we’ve achieved what I consider very satisfying long-term growth for my fellow shareholders.”

Lightheartedly reflecting, Teberg says, “A 2002 April Fool’s Day Fund start date was coincidental, but some would have considered it appropriate timing for a private adviser in Duluth to attempt this. In retrospect, my instinct seems to have been on target because the concept has become very popular.” Today, there are nearly 4,000 funds of funds.

The Teberg Fund’s current assets are more than \$36,000,000, still a small fund compared to industry giants. But industry-wide regulatory changes have created challenges for all-sized funds. Teberg says, “As regulators react to ‘bad apples’ like Bernie Madoff, it affects even small companies like ours, even though I have worked hard for more than 30 years to do the right thing for my clients.”

He continues, “I have learned how important it is to truly care for the people you are working for and with, and that giving 110 percent or more is always acceptable. My time at Morris taught me that success was available to those who took on challenges and were willing to go the extra mile.”

A recognized financial historian, Teberg’s research on the pre-presidential election year cycle, of which we’re in the midst again, was the subject of national media attention in 2006 with articles in several major publications and live New York interviews on Bloomberg TV and CNBC’s “Squawk Box.” In fall 2010, he presented his research to an international Top of the Table organization gathering of the top life insurance professionals in the world. The audition for the speaking opportunity was arranged by Top of the Table member and longtime friend Zahrbock, who years ago prompted Teberg’s then unforeseen exploration of the financial world.

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