



August 12, 2021

Dear Client:

Thinking Ahead . . .

In an effort to break my addiction to “binge watching” the Netflix top 10 trending views of the week, I picked up an old guitar that had been collecting dust in my home office closet. Becoming adequate enough of a guitar player to fumble through a few campfire tunes had always been a “bucket list” item. But time and discipline to practice had always gotten in the way of checking this one off the list. Like many aspects of our lives, the pandemic and lockdown changed that—freeing up time to focus on a new hobby.

After countless hours of online, do it yourself viewing of guitar tips and techniques, I came to the conclusion that I needed the patient counseling of a professional guitar teacher in person.

Lessons are going well and the famous lyrics of Bob Seger “wish I didn’t know now what I didn’t know then . . .” come to mind. My parents arranged for weekly lessons when I was a child and I now wish I had stuck with them.

Guitar lessons have brought to the surface a reality that weaves into the wealth management services we provide.

- One can learn from others who possess an advanced skill or knowledge in the area or topic you seek assistance.
- Lessons give sequence to the learning process.
- Lessons put pressure to formalize a consistent (usually daily) practice schedule.
- Recitals serve an important “improvement” status check.

Thinking ahead--the challenges of the last 18 months have more than ever highlighted the importance of planning—balancing the urge to “live in the moment” with the need for prudent and sometimes difficult practices necessary to accomplish long term personal and financial goals.

The Envision® (financial planning) process allows our client relationships an opportunity to develop a plan for near and long term goals, budget and retirement savings objectives, as well as thoughts for estate and legacy planning strategies. The *Envision* process also requires at least an annual “recital” status check on wealth management goals.

On the investment front, the Wells Fargo Investment Institute 2021 Midyear Outlook report is available to you electronically via our website [www.abelesflurie.com](http://www.abelesflurie.com) or by mail upon request.

Traditional 60/40 balanced investment strategies may not generate the average annual total returns that we have seen the last 25 years (i.e. fixed income investments in this low interest rate environment may not generate the same level of historical total returns).

Fixed income allocations will still serve as the cushion for equity investments, but this will require our client relationships to understand we are in a new age of investment risk characteristics and a review of overall portfolio structure may be in order.

The potential for changes in the individual, corporate, and estate planning tax laws are in the news. We continue to encourage a review of the pre-tax retirement savings strategies afforded by 401(k), 403(b)/TSA and IRA plans as a tool for accomplishing both tax and retirement savings.

Roth funding (IRA and 401(k)) and Roth “conversion” strategies should be reviewed and discussed as an avenue to carry tax considerations into 2022—should individual tax rate increases materialize. Of course, please consult with your accountant before executing any tax related strategy.

Municipal bonds continue to serve as an attractive fixed income alternative for investors seeking Federal tax free interest for our client households with higher marginal tax rates

And finally, please consider reviewing potential mortgage refinancing opportunities as we are expecting rates to trend upward over the next few years as the world’s economic circumstances continue to heal.

Unfortunately, the need for an updated will, a current estate plan, and updated financial and medical powers of attorney were brought to the forefront as a result of COVID-19 and the pace at which health can deteriorate. Please be sure to review your will and estate plan. We would be glad to provide references to legal advisors skilled in estate and legacy planning.

Our relationships use the Envision planning process as an opportunity to introduce our services to family members. Our practice is intentionally built to service the multi-generational needs of our relationships. We are flattered to have the opportunity to be introduced to immediate family members who might benefit from our services. Our [www.abelesflurie.com](http://www.abelesflurie.com) website gives an introduction and contact information as well.

Our office in Fountainhead Plaza is open and either in-person or virtual visits are available—please feel free to contact us to schedule a “status” of your *Envision* plan and a review of your overall investment allocation.

Further, for the added convenience for our office visitors, we have installed Abeles Flurie customer parking signs on the east side of the building (behind Candy Kitchen off of Pennsylvania Avenue).

On behalf of my partners David Abeles and Ryan Flurie, and our staff, thank you for the trust and opportunity to be of service to your wealth management needs. We wish you and your family the best for good health and happiness.

Respectfully,

*Abeles Flurie Wealth Management Group*  
*of Wells Fargo Advisors*

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*Wells Fargo Advisors is not a legal or tax advisor.*

*Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).*