



June 28, 2022

KEEP COMPOSURE--REVIEW PLAN—ADJUST TO NEAR TERM NEEDS—DO NOT CAPITULATE

Dear Client and Friends,

In January of this year, we distributed our 2022 Outlook and Planning Letter which highlighted a reminder that the cornerstone of our client relationship is built around the Envision planning process which in turn allows us to synchronize with the personal and financial goals of our clients. This process also serves an important tool for wrapping (incorporating) and guiding investment diversification and investment risk management strategies into an overall wealth management strategy.

After three consecutive years of above average investment returns, we are facing investment volatility that we have not experienced in some time which has been caused by multiple economic and geo-political issues. These issues as well as commentary on U.S and global economic and market forecasts are highlighted in the Wells Fargo Investment Institute (WFII) Midyear Outlook: “Faster, Further and Fragile” and as always, copies of the report are available on our website (www.abelesflurie.com) and hardcopies are available by mail upon request.

Investment volatility and the vicious, corresponding spiral of account statement values always cause concern and a knee jerk reaction to pin point and question the overall investment diversification strategy first.

However, as we battle through another bout of economic and investment uncertainty, we urge composure and suggest a review of the overall near and long term investment planning goals (Review the Envision Plan) as an important first action step. We have found this important review step allows us to discuss and reinforce near term cushion cash and project needs while reviewing and synchronizing the longer term goals (i.e. retirement, education, travel, vacation home etc.) and investment strategies to accomplish those longer term goals.

Do not panic. Maintain composure and dust off your plan, even though past performance is not an indication of future results, with patience, time has historically tended to help smooth out long term investment returns—and we urge you to extend the time horizon for evaluating your investment returns.

Further, there are some opportunities this environment provides. Here are some ideas we should discuss:

- “Dollar Cost Averaging” is a time tested, long term investment strategy designed to take advantage of difficult investment conditions. Consider increasing your payroll savings to your retirement (401(k), 403(b), 457, Roth or Regular IRA) or personal investment accounts (including 529 education savings accounts).
- Does your company retirement plan investment vendor have an investment rebalancing service for your account? Consider setting up quarterly or annual rebalancing trigger.
- Does it make sense to “convert” all or a portion of your IRA (or does your company retirement plan permit “in-plan” conversions) to a Roth? Taxes would apply here so please seek guidance from your accountant. Call us with questions here.

With inflation and price increases affecting us all, remember to stay in tune with basic investment planning action steps:

- Dust off the budget—rising gas and food prices should motivate us to trim back our discretionary spending a touch—not our retirement or education savings.
- Are there a few months of expenses set aside for savings? How about upcoming projects?
- Watch borrowing habits—try to borrow to enhance value (i.e. addition on the house) not to spend (credit card).
- Any changes to your family circumstance and do you have enough life insurance to maintain your family's standard of living if you die? Long term care experience? We can help evaluate this with you.
- If you are over age 70 ½, remember to make IRA qualified charitable distributions (QCD's) a part of your charitable giving strategy. This strategy allows you to incorporate your charitable activities and possibly save you taxes as well.

Time, not timing. It has been a very difficult six months for many reasons. We urge patience and please leverage your planning and wealth management relationship with us. We would be glad to meet with you.

Please let us know if we can be of any service.

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