

## A letter from Traci

I hope everyone is enjoying their summer! As a life-long Oregonian, I have always loved the Oregon summers with their long days, warm nights, and beautiful sunsets. This year, my husband and I have been staying busy with lots of camping, berry picking, gardening, and house projects. We are trying to fit all of this in early this year, because in August, we are expecting the arrival of our first child!

Once Baby Nelson arrives, I will be out of the office for approximately six weeks as we adjust and get to know our newest addition. After that, I will be back on a part-time basis until around the beginning of 2022 when I plan to be back full-time working with all of you, our wonderful AWM clients. Be assured that during this time, Bob and Ted and the rest of the team will be here to meet all of your needs and assist with anything that may arise.

It has been a pleasure for me to be part of the AWM family for the past 12 years, and I am very thankful that AWM is such a family-centered firm so that I can take time to welcome our new bundle of joy into the world.



**Pg 1** A letter from Traci

**Pg 2** Market Update

**Pg 3** Washington Cares Fund

**Pg 4** ESG Investing

**Pg 4** Federal Student Loan Forbearance Ending

**Pg 5** Five Star

**Pg 5** Need Cash Out?

**Pg 6** Investor 360 Changes



## Market Update

The investment world is always interesting, but the last two years have been particularly noteworthy for a wide range of reasons. Markets and economies have shrugged off a global pandemic for the first time in a century, and now instead of fears of a recession there is concern that the US economy might “over-heat.” Of course, economies do not actually have temperatures, so what that term is really about is the concern that things will continue to go so well that we will experience a prolonged period of inflation.

In the spring of 2020 financial markets fell remarkably fast due to the concern around Covid-19, even before the actual economy experienced any decline and before there were any government-mandated lockdowns. Then, after only a few weeks, markets started to rebound, taking most “experts” by surprise. Throughout the rest of 2020 markets actually performed very well, especially the companies and sectors that could thrive in a work-from-home pandemic environment. The actual economy continued to suffer, as businesses were shut down and people were laid off.

However, towards the end of 2020 economies began to open up and economic results started to turn around. Now halfway through 2021 most every industry has opened back up and economic numbers such as unemployment and GDP growth are all looking excellent. In addition, there is the expectation that people have pent-up savings (augmented by government stimulus) that they could not spend during quarantine, and will now rush to consume goods and services.

This built-up demand is being unleashed as the global economy is experiencing supply chain challenges. There are not enough microchips being produced to meet demand, lumber shortages caused prices to spike earlier this year before falling dramatically recently, and even labor shortages are disrupting industries such as restaurants and construction. All this is leading to increased prices, or inflation, that is higher than we have seen for many years. Many experts feel that these price increases and supply chain challenges will be short lived, that they are really just an effect of the world emerging from pandemic lockdowns, and that soon (within 12 months) everything will be back to “normal.”

However, no one ever knows where trends like inflation will lead, and if inflation does continue to cause concern going forward it could cause the Federal Reserve to raise interest rates sooner than they want. Increased rates and rising inflation could be trouble for the economy in general and markets in particular. The Delta variant could also impact economies in unpredictable ways. In other words, there could be more and more “interesting” developments over the next two years!



## Washington Cares Fund

For those who are employed in the state of Washington, the new Washington Cares Fund (the “Fund”) has likely been a topic of much discussion lately.

Washington State will be implementing a new long-term care program beginning in 2022 that will impact all those who are employed in the State of Washington. The law mandates long-term care benefits that are paid for by a premium deducted from W-2 wages. This is the first program of this nature in the country.

This Fund was implemented to help combat the rising costs of long-term care and increase accessibility to long-term care services for those in need, helping to ease financial and family burdens. The basic premise of the Fund is that payroll deductions will be made from wages, and set aside in a state-run fund and once eligible for benefits, one

may draw on the fund to help with long-term care expenses, as long as they are living within the State of Washington. Of course, the details are much more complicated than that, and Washington State has compiled the following website to provide details on the new program: <http://www.wacaresfund.wa.gov/earning-your-benefits/>. If you are employed in the State of Washington, we encourage you to look through this so you know how you may be affected, and what your options are.

If you are not currently employed in the State of Washington, our understanding is that this program does not apply to you. However, there has been discussion that other states are looking into a similar program.

If you would like to discuss the Washington Cares Fund, please reach out to our office.



## ESG Investing

The concept has been around for a while – “ESG Investing”, or Sustainable Investing.

At AWM we take pride in the fact that we have been implementing sustainable investing strategies for clients for years and aim to stay on top of industry trends and new fund offerings. By investing with this theme in mind, we can tailor an investment strategy to more closely align with a client’s personal preferences. Sustainable investing has been gaining more popularity in the last few years as investors have shown a greater interest.

Sustainable investing focuses on companies that have good environmental, social, and governance (ESG) standards. Fund managers establish a set of criteria that companies must meet or exceed to be included in their fund. For example, some managers focus on companies that have low carbon emissions, focus on clean water or renewable energy, and/or have strong diversity, equity, and inclusion policies, to name a few. The reality is, sustainable investing can be tailored in a way to meet an investor’s preferences and align with their personal beliefs while making a positive societal impact at the same time.

For many of you, you may already see some funds that focus on sustainability in your investment portfolio. If this is something you are interested in or want to discuss your preferences, please reach out to our office.

*Investments are subject to risk, including the loss of principal. Environmental, social, and governance (ESG) criteria are a set of non-financial principles and standards used to evaluate potential investments. The incorporation of ESG principles provides a qualitative assessment that can factor heavily into the security selection process. The investment’s socially responsible focus may limit the investment options available to the investor. Past performance is no guarantee of future results.*

## Federal Student Loan Forbearance Ending

For those who have eligible federal student loans, payments were suspended due to the forbearance included in the government’s Covid-19 relief packages. That forbearance was scheduled to last through “at least September 30th 2021,” but the Education Department recently announced that it has been extended for a final time to January 31st, 2022. If you or someone you know have questions about this, we would be happy to discuss considerations around these issues.



## Five Star

In case you missed the June edition of *Portland Monthly*, Bob, Ted, and Traci were all awarded the Five Star Wealth Management recognition for 2021! We are proud of this prestigious award, and very pleased that all three of our advisors were included. Congratulations again Bob, Ted, and Traci!

*The 2021 Five Star Wealth Manager program is the largest and most widely published financial services award program in North America. Award candidates are evaluated against 10 objective eligibility and evaluation criteria, including being an investment adviser representative or RIA; active employment as an RIA representative or a principal of an RIA firm for a minimum of five years; favorable regulatory and compliant review history; fulfillment of firm's internal review based on internal firm standards; active acceptance of new clients; client retention rate; client assets administered; number of client households served; and education and professional designations. The award is not indicative of the wealth manager's future performance or an evaluation of the quality of services provided. 900 Portland-area wealth managers were considered for the award; 96 (11% of candidates) were named 2021 Five Star Wealth Managers. For more information, please visit [www.fivestarpromotional.com](http://www.fivestarpromotional.com).*

## Need Cash Out?

Is it time for that long-awaited vacation? New car? Or new roof? Need cash from your investment accounts to make those dreams come true? Give us a call and we will be glad to get the funds to you as soon as possible. As a general rule, please expect 5-7 business days for funds to transfer from your investment account to your bank and 7-10 days if you are having a check mailed to you. However, if the funds are already available in your investment account and no trades are needed to generate the cash, then it is possible your requested funds could transfer within 1-2 business days. Please keep us posted of your future plans so the cash can be available to send to you when you are ready for that dream to come true!



## Investor 360 Changes

As of July 14th, [www.investor360.net](http://www.investor360.net) began automatically redirecting to [www.investor360.com](http://www.investor360.com). A message has been posted on Investor360° to alert you of this change. Please remember to update existing bookmarks to the .com address, because later this year the .net web address will no longer work.

Not an Investor 360 user? No problem...just call our office and we will gladly get you set up to view your accounts online!



## Office Closures

**Labor Day**  
September 6th

**Christmas (Observed)**  
December 24th

**President's Day**  
February 21st

**Thanksgiving**  
November 25th - 26th

**Martin Luther King Jr. Day**  
January 17th

**Memorial Day**  
May 30th

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*Securities and advisory services offered through Commonwealth Financial Network, member FINRA/SIPC, a Registered Investment Adviser. Financial planning and advisory services offered through Advanced Wealth Management, a Registered Investment Adviser, are separate and unrelated to Commonwealth.*

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