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4 KEY ESTATE PLANNING DOCUMENTS

Estate planning is the process of managing and preserving your assets while you're alive and conserving and controlling their distribution after your death. There are four key estate planning documents most everyone should have, regardless of age, health, or wealth. They are:

- A durable power of attorney,
- Advance medical directives,
- A will, and
- A letter of instruction

In the video linked [here](#), we'll explore each of these documents in greater detail and explain how all four work in conjunction in your overall estate plan.

If there are additional questions we can help to answer in regards to these documents or your estate plan in general, please [contact us](#) to schedule a time to review.

June 2024

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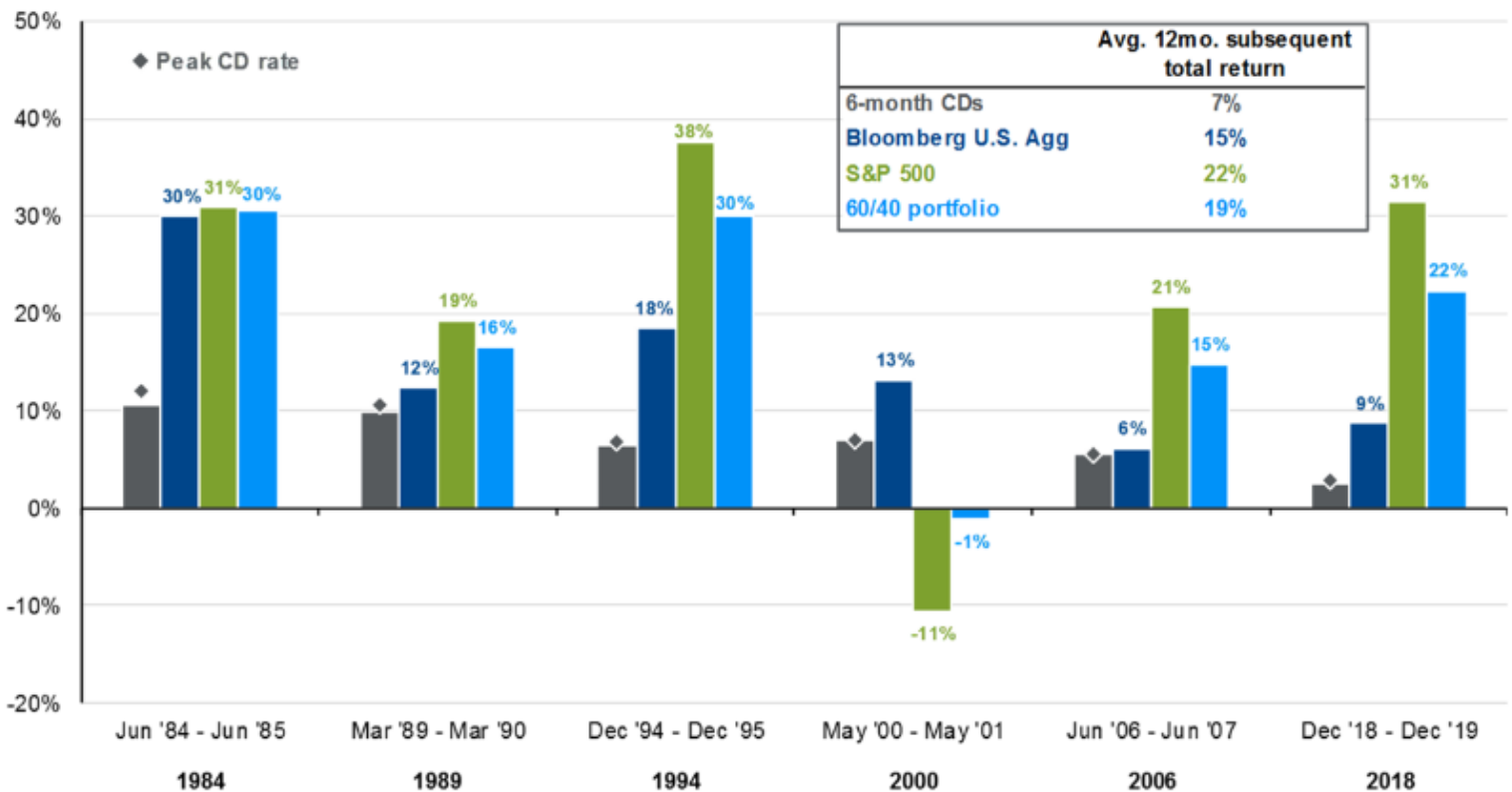
SUMMARY - May was a month of milestones, with all three major U.S. equity indexes hitting new highs – and markets in the U.K., India and Germany also setting records. Stocks were driven up by positive corporate earnings results and greater participation from sectors other than technology – and stocks other than the MAGMAN six tech stocks – with 10 of 11 sectors having positive performance.

“This was the first quarter since the fourth quarter of 2022 that the other 494 stocks in the S&P 500 had positive earnings growth,” Raymond James Chief Investment Officer Larry Adam said. “In addition, big tech stocks continue to be driven by tailwinds from artificial intelligence. Even the utilities sector saw a performance boost from AI energy demand in May.”

With inflation moving slowly toward the Federal Reserve’s (Fed’s) 2% goal and the economy proving resilient, interest rate cuts are likely to be further delayed, which will continue to put downward pressure on the real estate market.

Investment opportunities outside of CDs

Peak 6-month certificate of deposit (CD) rate during previous rate hiking cycles and subsequent 12-month total returns



CD rates and other investment opportunities: Here, we show the peak 6-month certificate of deposit (CD) rate during previous rate hiking cycles and the subsequent 12-month total returns of CDs, the Bloomberg U.S. Aggregate Index, the S&P 500 and a 60/40 portfolio of 60% stocks and 40% bonds. As a result of the Fed’s aggressive tightening campaign, CD yields have risen considerably and now look very attractive. However, investing at peak CD rates in the past has resulted in underperformance relative to other riskier assets across both stocks and bonds. Investors must realize there may be better options for deploying excess capital outside of CDs.

Source: Bloomberg, FactSet, Federal Reserve, Standard and Poor’s, J.P. Morgan Asset Management.

The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. The analysis references the month in which the month-end 6-month CD rate peaked during previous rate hiking cycles. CD rate data prior to 2013 are sourced from the Federal Reserve, whereas data from 2013 to 2023 are sourced from Bloomberg. CD subsequent 12-month return calculation assumes reinvestment at the prevailing 6-month rate when the initial CD matures. Guide to the Markets – U.S. Data are as of May 31, 2024.



RATE REPORT

CERTIFICATES OF DEPOSIT

- 3 month: 5.30% - 5.45%
- 6 month: 5.25% - 5.45%
- 12 month: 5.25% - 5.40%
- 24 month: 4.80% - 5.05%

Annual percentage yields (APYs) as of 06/10/2024. Rates are subject to change and availability. Minimum quantity may apply.

MONEY MARKET MUTUAL FUNDS

- Current 7-day average yields ranging 5.16% - 5.22% as of 06/07/2024. Call for specific fund information.

CORPORATE BONDS

Rates on corporate bonds are typically higher than CDs but will vary based on credit quality and maturity.

TAILORED SOLUTIONS

If you would like to discuss your cash management needs further, [contact us](#) for a private discussion so that we can tailor a strategy to help you meet your specifications.



SUMMER AROUND THE METRO

JUNE

- Des Moines Arts Festival: June 28-30, Western Gateway Park. Over 175 artists take over the Western Gateway downtown. St. Paul and the Broken Bones, as well as The Marshall Tucker Band highlight the Friday and Saturday night concert headliners.



- Iowa Cubs: June 25-30, Principal Park. The AAA affiliate of the Chicago Cubs hosts the St. Paul Saints for a 6-game homestead.

JULY

- Downtown Farmer's Market: First Saturday in May through the last Saturday in October, Historic Court District. Second only to Pike Place Market in Seattle as the Top Farmers' Market in the country!
- Good Guys Car Show: July 5-7, Iowa State Fairgrounds. Over 4,000 Rods, Customs, Classics, Muscle Cars, Imports and Trucks thru '99.

AUGUST

- Iowa State Fair: August 8-18, Iowa State Fairgrounds. Annually attracting more than a million people from all over the world, the Iowa State Fair in Des Moines is Iowa's great celebration.
- National Balloon Classic: July 26-August 3, Indianola, IA. 100+ hot air balloons suspended over the horizon in this Midwest classic!

About FDIC Insurance: Currently, the FDIC limits the insured amount (including principal and interest) for all deposits held in the same capacity to \$250,000 per depositor, per insured depository institution and \$250,000 for certain retirement accounts. The FDIC has permanently increased insurance coverage to \$250,000 for deposits held in all ownership categories, including single accounts, joint accounts and trust accounts. Therefore, excess holdings may not be insured. IRAs and certain other retirement accounts will maintain the \$250,000 insurance coverage. About Liquidity: Funds may not be withdrawn until the maturity date Or redemption date, However, the brokered CD, are negotiable, which mean, that although not obligated to do so, Raymond James and other broker/dealers presently maintain an active secondary market at current interest rates, Market value will fluctuate and, if the CD is cashed out prior to maturity, the proceeds may be more or less than the original purchase price, Holding CDs until term assures the holder of par value redemption. CDs are redeemable at par upon death of beneficial holder. FDIC insurance does not protect against market losses due to selling CDs in the secondary market prior to maturity. An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing. CDs offer FDIC or FSLIC insurance and a fixed rate of return whereas both principal and yield of investment securities will fluctuate with changes in market conditions. Additional information is also available on the SEC Certificates of Deposit website [here](#).



INVESTOR, KNOW THYSELF



Traditional economic models are based on the premise that people make rational decisions to maximize economic and financial benefits. In reality, most humans don't make decisions like robots. While logic does guide us, feelings and emotions — such as fear, excitement, and a desire to be part of the "in" crowd — are also at work.

- Confirmation bias is the tendency to assign more authority to opinions that agree with your own.
- Loss aversion bias describes the tendency to fear losses more than to celebrate gains.
- Bandwagon effect, also known as herd behavior, happens when decisions are made simply because "everyone else is doing it."
- Recency bias refers to the fact that recent events can have a stronger influence on your decisions than those in the past.
- Anchoring refers to the tendency to become attached to something, even when it may not make sense.

Emotion-based decisions can have a significant impact on your portfolio over time. Before taking any actions with your portfolio, it might be wise to seek the counsel of your Abrahamson Wealth Management team.

NEXT MONTH

- In July, we'll look at the current real estate market and how higher interest rates impact everything from commercial, residential, and new construction markets.
- We'll spotlight Patrick and his family: his wife Sarah, and daughters Lennon and Marlie
- We would love to hear from you! If there's an item or topic you'd like for us to discuss in greater detail, [drop us a note](#) and we'll be sure to address it in future editions of the newsletter.



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