

Fries Financial Services
108 E. North Avenue
Bryan, Texas 77801
(979) 846-8395

Happy Valentine's Day!

February 14, 2021

Happy Valentine's Day! I hope this finds you doing well and staying safe. Probably very little about your life has remained exactly the same since last year's Valentine's Day newsletter arrived in your home. Many holidays have come and gone without the usual fun and fanfare of years past. It was Ernest Hemingway who said "I have tried to write the best I can; sometimes I have good luck and write better than I can." While I have no words to fully express all of my thoughts about the last 12 months, you deserve the best newsletter we can create for you. Let me start by saying that I am so sorry for everything you have lost this year: the anniversary trip that you have diligently saved for 10 years for, your granddaughter's wedding, hugs, the friends and family that you have lost through death, distance and distrust. To endure 2020 we have needed a resilience seen in the acts of love and courage performed by so many people as the year swept over us like an unrelenting riptide. The new year has not brought much relief and I call it "2020 version 2.0"

This is not the first cover page letter I have written this year; and it is the hardest one I have created in 37 years. Because, while many days have become "Blursday", where the days come and go without a differentiation from the ones that have passed or the ones that will come, too many days have brought life-changing events which will leave marks on our hearts and minds like 9-11 or where we were when we heard that bonfire had collapsed killing 12 young people. Few people have escaped 2020 without feeling ill, even if they were never sick.

Each year I write about how Valentine's Day is my favorite holiday because it reminds us to share our love and appreciation for each other. I remain thankful for the trust and faith you place in our team to guide you through your financial lives. In no previous year has my team worked harder, worked longer and worked through our own personal pain and struggles to help so many people suffering from so many types of losses and burdens. We have always been here for you and your family and friends during good times and bad and we find fulfillment in being the calm voice of reason, truth and facts to help make good decisions. It is never easy to tell you something you don't want to hear, but the bedrock of trust is honesty. I continue to promise you our very best assessment of everything that impacts your financial future. I stand in awe of my fabulous team who contained their own troubles to serve you so well and so diligently. In this time of loss and stress and brinksmanship I am reminded that no one truly knows the struggles of the driver in the car next to us, the person on the phone call or the clerk trying to help you. Please pray for the strength to show more grace, patience and, yes, love to someone who needs a kind word. A year ago we were just at the beginning of this. Much was unknown. That was both a curse and a blessing. It was a curse because the learning curve was deadly and dangerous. It was a blessing because we didn't know what would lie ahead. We now "know" what the next year will look like and we must dig deep within ourselves to do the right things for ourselves, our families and our community. If you have not yet done something that will make you proud of the way you handled the pandemic, time remains to do something memorable. And thank you to each of you who have given the best you have to give in the service to your families and our fellow man. Our charities are stressed to the edge with the avalanche of a new need and the loss of fundraising events, and free volunteer labor. Please help wherever and however you can.

Along with the challenges I hope you have been granted some happy surprises as well. Our family was blessed with a baby that only God knew was promised to our family. Our Coronavirus granddaughter, Aubree, joined her brother Kyle for all of the fun of "two under two." Her beautiful smile reminds me so much of her mother's. I pray you have found unexpected meaning, joy and purpose hidden in the rest of the cacophony of events. It is my experience that when one looks they can find roses among the thorns. Global economic challenges usually bring drastically lower interest rates and this is the perfect time to consider refinancing your home, which will give you significant financial benefits for years to come. Let's look carefully for the positives for you and your family. As we assess the changes that were forced upon us, that have brought unexpected benefits, we know that business will permanently be changed because of the ways we must now do business. But for us, nothing will change the care and compassion with which we approach your needs and concerns. As always, I hope you find something of benefit in this year's newsletter. I wish the envelope could include a hug. Right now our country needs a good hug. Please know that we are here for you and, as always, wish you the very best.

Kindest Regards,

Denise Fries

www.friesfinancial.com

Retirement Account Update for Pentegra Managed Portfolios

At Fries Financial Services, we offer model portfolios to provide investment options to our clients that align with their risk tolerance. We have options designed for clients with conservative risk tolerances all the way up to aggressive risk tolerances. All



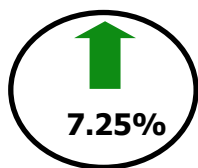
Mike Albert

of these model portfolios are globally diversified to minimize volatility and to reduce risk, and they are invested across many different asset classes such as domestic stocks, international stocks, domestic bonds, international bonds, cash, etc. Also, all of these portfolios are actively managed which means that we monitor them and make adjustments over time based on our current market outlook where we will increase the allocation to asset classes that we believe have a more favorable outlook and decrease the allocation to asset classes that we believe have a less favorable outlook. If your retirement accounts at Fries Financial Services are invested at Pentegra, you are receiving all these benefits.

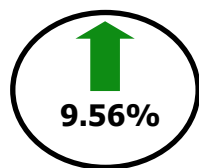
Mike Albert, CFP®, AAMS®, AWMA®, CRPC® is our Chief Investment Strategist, and he regularly repositions the model portfolios to best align your funds with market conditions. For example, he made changes to the model portfolios late last year to get them positioned in such a way to take advantage of how we see this year unfolding. Since we are cautiously optimistic that COVID-19 vaccination programs around the world will be successful in allowing economic activity to return to more normal levels, we have put specific asset classes in the portfolios that have historically outperformed during this part of the business cycle (like stocks that are more poised to benefit from a pickup in economic activity, and stocks in sectors that have more attractive valuations and pay higher dividends than their higher valuation, lower dividend, more growth-oriented counterparts). We also increased the amount of alternative asset classes that we have in the portfolios since these asset classes are designed to be less correlated to more traditional asset classes like stocks and bonds and currently offer attractive diversification benefits given the risks and uncertainty that still exist in the world economy for stocks and given the very low rates that many bonds are currently paying. In addition, we added a stable value Guaranteed Fixed Interest Fund as a portion of our model portfolios that is currently paying a very competitive rate of 2.40% from now to 3/31/2021, and this product is designed to be a capital preservation vehicle (like a money market fund). The rate can change each quarter but is guaranteed to always be at least 1%, and even in the current very low interest rate environment, it was only reduced by 10 bps from last quarter (4Q2020), from 2.50% to 2.40%.

Finally, because of the risks and uncertainty that exist in the world economy, our model portfolios are still in a “reduced risk” mode that should allow them to hold up well no matter what happens. For example, being in a “reduced risk” mode last year (2020) served us very well and allowed us to generate strong returns for all of our model portfolios with much less volatility than the major stock market averages leading to very strong risk-adjusted returns. In comparison the Dow finished 2020 with a gain of 7.30%, after suffering a 35.60% loss on Coronavirus fears by March 23, 2020.

In 2020 these were the results for each model portfolio net of all fees and expenses:



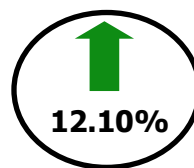
Current Income



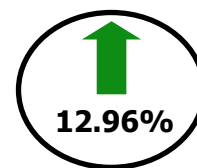
Balanced



Growth & In-



Growth



Maximum Growth

Disclosures: The opinions and forecasts expressed are those of the author and may not actually come to pass. This information is subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any specific security or investment plan. Past performance does not guarantee future results.

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Mortgage interest rates are very low... should you refinance or buy a new home?

By Bill Hoffman

One thing became very clear when the world turned upside down; where you live makes a significant impact on your relative peace of mind. With kids home from school or back from college, parents fleeing group living arrangements and people working from home, each room took on more importance. People are moving away from crowded areas, making first-time home purchases, and moving to bigger houses in record numbers. Airbnb homes are now on the market as owners cannot pay the bills on vacant rental homes. This is all being accelerated by exceptionally low interest rates.

Should you refinance your home?

As of February 1st, we are seeing 2.3% for 15-year loans and 3.1% for 30-year loans. That may mean that you could keep the same monthly payment and go from owing 22 years to 15 years just because of the spread of interest rates. Consider that 30-year loans in 2010 averaged 4.69% and 8.05% in 2000 – so you could see SIGNIFICANT savings to refinance a 30-year loan, without increasing your monthly payment.

“YES, BUT” ...of course there may be fees like survey and inspection fees, points, and title fees – but, once clearly understood we should be able to easily see if the expense to refinance is worth it. Usually, you can roll any closing costs into your loan. Depending on how long you plan to live in your home your “break even period” will help influence the decision.

Where to start? Contact us so we can help you explore your options. This is a rare opportunity that you do not want to miss.



Please Support Locally Owned Restaurants

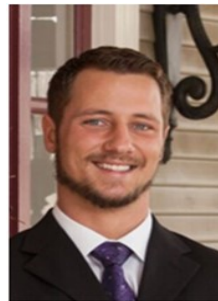
It is no secret that COVID-19 continues to wreak havoc and restaurants are taking some of the worst beatings. Without national support or the funding many chain restaurants receive, our locally owned restaurants may not survive. Here are a few ways you can help save them:

1. **Order Take-Out** if you do not feel comfortable dining in. Many places now have “curbside pick-up.”
2. **Purchase Gift Cards** – Support the business now financially and dine later. You can stock up to give as gifts. Go even further and donate those gift cards to The United Way who will give them to families in need. Mail them to: United Way of the Brazos Valley, 1716 Briarcrest Drive Suite 155, Bryan, TX 77802.
3. **Tip Big!** – Employees are suffering too.
4. **Write positive reviews.** Share them on your social media.
5. **Buy Merchandise** – Many locally owned cafes, restaurants, bars, and coffee shops have shirts, tote bags or sweatshirts for sale. Help them out by purchasing and wearing it locally.

While national chains are nice to enjoy, the real “flavor” of a town can be found in the “mom & pop” neighborhood restaurants and coffee shops. Where will you want to eat after this is over? Will they still be there?

Required Minimum Distribution News

By Travis Vollmering, CDFA



Travis Vollmering, CDFA®

In 2020 you were not required to take a Required Minimum Distribution (RMD) because of the market upheaval due to Corona-virus. This applies to everyone regardless of their age.

In Prior years everyone over the age of 70 ½, who is retired, was subject to Required Minimum Distributions from their IRA's, 401K's, and 403b's.

Now that age is 72.

If you have multiple account types, then an RMD calculation must be made for each account type and an RMD taken from an IRA does not satisfy an RMD for a 403b. As soon as you retire, it is often best for us to consolidate types of accounts. Failure to satisfy an RMD can result in a 50% penalty.

Both pre- and post-retirement planning will make all of this easier and help you enjoy your retirement. Proper planning provides a smoother distribution of retirement income.

Learn from Each Other.....

Each of us have been touched in a different way by Coronavirus. This is a collection of comments from our clients. I thought they might make you feel more connected. They are statements of hope and love, but also frustration and sadness. It helps to express yourself. Perhaps there is something here that will help make the next few months better. Feel free to email your addition to us. Each comment was used with permission and remains anonymous.

How have you overcome the negative emotions that this situation has caused?

- Y It is not likely that I will be taking any more major trips but here is what I am doing instead: once a week I write an actual letter that goes snail mail to one of the great grandkids...taking them on an imaginary trip complete with pictures to some place in the world where I have been...everyone really looks forward to the letters!
- Y I focused on how fortunate my family is compared to so many people.
- Y I express gratitude in a journal and daily texts to family and friends of one thing I am thankful for that day.
- Y I limit the amount and source of news and watch fifteen minutes twice a day and turn it off.
- Y I pray...a lot! Mostly for people who make me angry for NOT doing the right thing.
- Y I hug my pets. They think it is GREAT that I am laid off! They did not even notice that I switched to cheaper food!
- Y I spend time with grandchildren. They always make me laugh.
- Y I take lots of walks. I like seeing what people are doing in their yards and their houses.
- Y Listening to funny podcasts. I have learned how easy it was to podcast and all the zillion topics, get a kid to show you how.
- Y I practice gratitude. I am thankful for all the blessings I have in my life – family, friends, and a job (even though it is the hardest it has been in my teaching career!). While the pandemic has been a major adjustment it has also been an amazing opportunity to shine a spotlight on what is important.
- Y I take solace in knowing that the whole world is going through the same thing. We should think about how rare that phenomenon is!
- Y I have learned to acknowledge more people and let them know I appreciate them. In the last two months there have been four deaths in the six houses across the street and it has made the neighbors realize we need to pay more attention to each other.
- Y I have cried. I have allowed myself to have three old fashioned blubbers, the first happened on what would have been the first day of a long-awaited cruise. I just sat on the bed and cried. The second happened a few months later when they “substituted” mayonnaise instead of Miracle Whip on my grocery delivery. I cried just as hard then, and I realized it was tears of loss, sadness, and frustration that needed to be let out! The third cry was scheduled. I sat down and wrote out everything that was wrong then I just cried. Each one helped. You should not be ashamed to cry. This is all worth a good cry, well, maybe not the mayonnaise!

What does “Home” mean now?

- 🏠 It became very crowded when my dad moved in, three kids were home from school and two parents were working from home. On the bright side, we finally used the dining room, cleaned out the garage and gave the “too big” couch to Goodwill.
- 🏠 It is my safe place. Previously it was where I slept and spent a little bit of time. Now it is where I do everything! I finally painted the spare bedroom, which I swore I would do when I bought this house five years ago, because it is now my office and the sick pink walls looked really bad in Zoom calls!
- 🏠 Who knew that you could cook food in a KITCHEN? Before the pandemic, I worked part-time and did most of the housework, and cared for our three children. My husband worked too much and traveled for his job. Suddenly he was furloughed, and I was called back full-time. All of the kids started homebound school. I then got into serious overtime hours and my husband was 100% in charge of the house and the kids. It was hell in the first few weeks as the kids adjusted to dad being the “parent in charge.” He exclaimed that “he never knew what I did all day” when he fell into bed exhausted! It is funny now, but it was not then! Fast forward 10 months and he is closer to the kids than he has ever been, and our family is better off from this experience.

How has COVID-19 impacted your social life?

- 🍷 I guess it became habit to visit the same restaurants and bars with the same people. But then we started cooking together as a family and took an online wine tasting class- it was so fun we took it twice. We started a *Hello Fresh* subscription and really love not having to grocery shop. My husband is still laid off and he has become quite a chef!
- 🍷 Every Tuesday night at 7 p.m. I do a Zoom with my family. Sometimes there are only three of us and sometimes there are 10 of us! I have gotten to see my kids and grandkids each week. I always end by reading a verse from the Bible. We have sung “Happy Birthday” and opened gifts together. One time we all ate ice cream together. Schedule it or it will never happen! And make sure everyone gets to talk. We “give the floor” to each person for a few minutes and no one can interrupt. This has really helped the children and we hear great stuff and often funny things during “their time” to talk.

**Is there something that inspired you throughout this experience? Was there a silver lining?
Did you learn something about yourself?**

- † I have learned that “resilience” is a muscle that needs to be strengthened like anything else. I feel a greater recognition for the hardships faced by generations before me.
- † I have learned that people can be doing everything right and have their whole world knocked out from under them through no fault of their own. Complete groups of high school and college students can graduate at the worst possible time - like in 2008 and now and never recover from bad timing.
- † I have used the time at home to work on myself... My physical and mental health, self-education and challenging myself.
- † We are realizing that just because we did things a certain way does not mean that we should continue to do it that way. The opportunity for businesses to make people happier (and thus more productive) has been shown. People CAN work from home. I am not a sociologist or psychologist, but this single factor could do more for equality than ever before. Maybe women do not have to choose between having a baby and a career. Maybe men can stay home as well, to build a stronger, better family. There is a direct relationship between happiness and productivity. The corporations that adjust will be winners.
- † The spiritual awakening of my 18-year-old son. Because he is struggling as a new college student with limited social opportunities in a new environment, it has caused him to look inward more than ever before. It is a challenging time, but I can see a lot of personal growth.
- † My strength comes from my faith and I know God is bigger than this. The difficult social circumstances and so many businesses closing has really made me appreciate what is important in life... family and friends. I am grateful for Fries Financial Services and that my money has not been negatively affected and that is one worry I do not have.

What have you spent more money on?

- ♣ Vitamins, groceries.
- ♣ Books, puzzles, games.
- ♣ Office furniture -my back was killing me!
- ♣ Charitable gifts to charities we had not given to.
- ♣ Amazon- as much as I like shopping locally, I got frustrated when people would not wear masks, so I bought online.
- ♣ Eating out – to help local restaurants survive.
- ♣ Home repair/improvement – paint, shelving, gardening. I did several large outside remodeling jobs to give work to friends who lost their jobs. Built more enjoyable outdoor space.
- ♣ I love Farm Patch and Readfield Meats and Deli.
- ♣ Netflix, Hulu, and other home viewing.
- ♣ Ancestry.com.
- ♣ I bought a bike and love riding every day at “lunch”- I work from home now and it helped my back and mental health to get out.
- ♣ Technology – computer, printer, software, Zoom and other connectivity like better internet services.
- ♣ Bought a travel trailer to do road trips – We missed 3 big

Is there “anyone” who you appreciate more and perhaps never gave much thought to before this event?

- ★ Grocery store employees.
- ★ Delivery drivers.
- ★ Restaurant workers.
- ★ School teachers!
- ★ Dr. Seth Sullivan and Dr. Anthony Fauci.
- ★ Custodial staff.
- ★ Basically, EVERYONE who does NOT have sick leave, and cannot work from home. Because they have bills to pay and yet earn low wages to risk their lives for people who have the audacity to complain about the “inconvenience” of wearing a mask so that maybe they do not die from exposure.
- ★ Governors who have been left to work through everything on their own.
- ★ Mayor Karl Mooney of College Station who had the guts to be the first one in our area to mandate masks, basically pushing the other local leaders to do the same. Such courage in our political climate is to be admired.

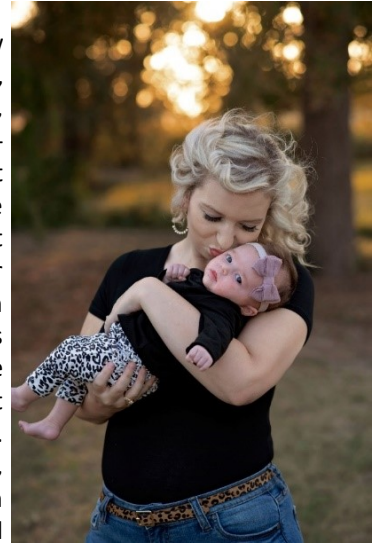
What have you spent less on?

- ☒ Upon reviewing our yearly expense report I discovered we spent a thousand dollars less per month! I did not know we spent so much on non-essentials.
- ☒ Eating out! We eat healthier and spend less now.
- ☒ Car and gas expenses. By not driving to work and having groceries delivered we have spent less. No commute!
- ☒ Movies and “date-night.” - including babysitters. But we may need to spend more on marriage counseling! (LOL)
- ☒ Personal grooming: haircuts, hair products, nails, massages, deodorant, make-up, shaving cream, and razors.
- ☒ Clothes, dry cleaners, shoes, and jewelry.
- ☒ Charity events such as banquets and auctions. We still give to our favorite charities; however, we do not go to the event and eat the rubber chicken.
- ☒ Gym, tickets to sporting events.
- ☒ We gave our “stimulus” checks to the Food Bank because we did not lose our jobs.
- ☒ Gifts. Due to COVID-19 family events got cancelled such as graduations, weddings, baby showers, and anniversaries. Now I write a letter (and mail it) to each person. I tell them what I love about them and how happy I am that they are in my life. I have received more “thank-yous” for those letters than my gifts!
- ☒ We did not take vacations this year. All trips were cancelled including a high-adventure Scouting trip with my younger son and husband. My older son’s study abroad trip, to Costa Rica, was to be the last adventure with a beloved high school teacher.
- ☒ Travel. College study abroad to Europe cancelled. Big anniversary trip cancelled. Other trips cancelled included weddings, two cruises, one was to Alaska for a ten-day birthday celebration, and the other a cruise out of Rome. So, the bucket list is on hold.
- ☒ I have spent more time looking at travel pictures from previous trips. I call the people I went with and share happy memories. I finally had the time to put together my trip photo albums.

Taylor's Column



Last Valentine's Day, we introduced "Kyle's Column" and now we need to make room for "Aubree's Article"! Our daughter, Aubree London Johnson, completed our family on August 18th, 2020. Being pregnant and chasing a toddler during stay-at-home orders was a physical and mental challenge I had not thought to prepare for, but one I would not take back. The quality time we spent together meant the world to me and I got to deeply enjoy my children and watch them grow. In their eyes, the pandemic was not a crisis but more time with mom and dad. Kyle had a wonderful year. He loved swimming lessons and became an expert at everything cowboy. Aubree is the sweetest little girl and is now rolling over. Her favorite past time is grabbing her little feet and playing with her fairy doll. Our whole family absolutely loved the snow we got in January, as I am sure you did too. Zach and I are building a house on acreage in Bryan and are really enjoying the design process and putting our touch on everything. Sending you peace and love this Valentine's Day.

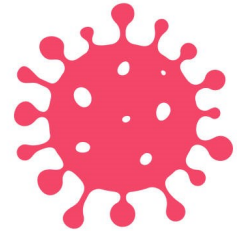


Be prepared!

A recent survey found that over 20% of people diagnosed with Covid stop at a store on their way home from the doctors office! You should have everything at home NOW so you are ready! Check with your doctor in case you have a special medical condition.

These are things to have on hand:

- Germ killing tools -sanitizing wipes, sprays, soaps and hand sanitizer. Disposable gloves. Tissues
- Plenty of fluids to keep you hydrated.
- Vitamin D3, vitamin C, and zinc.
- Enough facemasks that you can change frequently.
- Humidifier and air purifier
- A notebook to record your vital statistics and keep notes to be prepared if you speak to a doctor.
- Paper plates and cups and disposable silverware. It is also a good idea to use plenty of trashbags and keep your trash separated.



Benefits of Taking Children to the Chiropractor

By Taylor Johnson

When our daughter Aubree came home from the hospital, I quickly realized that something was not right. She could not be laid down on her back without crying in such a way that I knew she was in pain. I had never heard of Pediatric Chiropractor Care, especially not for a newborn, until a friend suggested it and I was willing to try anything to help our daughter. After only one visit, we learned our daughter had rotation in two locations of her spine and a significant tongue and lip tie, all which were successfully treated.

Chiropractic care works extremely well in children because their bodies are still growing and forming and are easily adjusted. Proper spine alignment is important for numerous reasons for their proper development. Misaligned spines and/or nerves in children can lead to an array of health conditions including ear infections, insomnia, asthma, headaches, respiratory issues, low immune system, cognitive issues such as hyperactivity, and even bedwetting. By taking your child to a pediatric chiropractor you may see an improvement in their sleep, immune system, brain development, nervous system and their behavior. Board Certified Pediatric Chiropractors receive specialized training and use different techniques than those used on adults.

Pediatric Chiropractic Care was such a miracle for our family, and I want to share that with you. Please contact me at Taylor@FriesFinancial.com for a recommendation of our favorite local Pediatric Chiropractor.