

PROFESSIONAL FINANCIAL SERVICES, INC.

"DESIGNING AND PROTECTING WEALTH"

ONE PLAN AT A TIME

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April 30, 2021

Mr. Robert E. Tucker
10913 Lawyers Road
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Dear Bob:

Personal Update

Linda and I have been both fully vaccinated, and we are returning to Virginia on May 3rd. Our Florida number will no longer be operational. So, please reach me on (703) 391-0299 or my cell at (703) 932-1794. Having had only one or two face-to-face client meetings in the last year, I will resume face-to-face meetings using an abundance of caution. I literally can't wait to see people without having to rely on either calls or zooms!!!

Markets

It's been an amazing few months. In the last year, we've seen the dramatic impact of the COVID pandemic, a major political shift both in the Presidency and the Congress, massive unemployment, and yet, a steadily increasing equity marketplace.

So, where are we now?

Notwithstanding all of the issues we've all had to experience, markets continue to rise. What do we expect for the next year? Perhaps like you, I've listened to the Chairman of the Federal Reserve and a variety of economists.

With the reduction of unemployment, the expectation that as much as 80% + of the U.S. population being vaccinated by year end, and the resumption of thousands of businesses, all of them have stated an expectation that markets will have record growth for the balance of 2021.

While interest rates and inflation may edge upwards, nothing dramatic is expected. With returns in fixed income/cash assets expected to remain low, the source of returns is expected to continue to be equity markets.

So, I expect there to be continued growth. Any guarantees? Of course not. Nothing is constant but change, and nothing is guaranteed. However, I believe the current patterns will continue.

A REGISTERED INVESTMENT ADVISOR

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Possible Biden Administration Tax Changes

While nothing has been enacted and while we have no idea what will actually happen with tax changes, some of the proposed changes are particularly worth noting:

1. Increasing the top federal income tax rate on those with taxable income of greater than \$400,000 in a year from 37% to 39.6% on income above \$400,000.
2. Possible increase in the tax rate for dividends and capital gains.
3. Reduction of the estate and gift tax credit back to \$3,500,000 per person, such that transfers above this amount would be subject to tax. In addition, the top tax rate may increase from 40% to 45%.
4. "Means testing" on Social Security benefits and an increase on Social Security payroll tax withholding on income earned above \$400,000.

Will any/all of these impact you if enacted? Possibly some, but I believe the impact for most will be relatively minimal.

We'll be watching carefully as these tax initiatives unfold on two counts. What are the actual changes, and when will they be effective? When we know more, we'll be in touch. I do encourage you not to stress over these issues.

Name change

As you know, the Broker Dealer I use, H Beck, inc., now has a new name. It is Grove Point Financial, LLC. So, your H. Beck statements will now say Grove Point Financial. There is no other change to you or your accounts.

Annual ADV Filing

Every year Professional Financial Services, Inc. files what is known as form ADV with the Securities Departments of Virginia, Maryland, and the District of Columbia. We have done so recently, and we will be glad to send you, your colleagues, or friends a copy at your request.

A reminder

If you have investment accounts with us, you can go through our website, www.pfsinc1.com, and access all of your accounts in one location. Values are updated daily. Please contact Faye West at my office if you need help.

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Our quarterly magazine

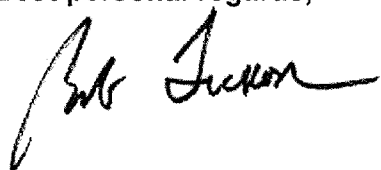
Our new issue of American Lifestyle Magazine will be coming to you at the end of May. We hope you find it interesting and of value.

Conclusion

Our sole purpose is to be of help to you. As always, we offer a variety of services, but most important we are eager to have dialogue with you about any issues you confront. Our mission is to provide guidance, support, and hopefully, exceptional service. Don't hesitate to reach out to us.

Have a great Spring and Summer!!!

Best personal regards,

A handwritten signature in black ink, appearing to read "Rob Tucker". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert E. Tucker, CLU
Chartered Financial Consultant

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