

### INVESTMENT OVERVIEW

#### THE MCSHANE PARTNERS CORE CONTRARIAN EQUITY PORTFOLIO STRATEGY

Despite marginally disappointing performance across asset classes so far this year, the McShane Partners Core Contrarian Equity Portfolio Strategy (“the Strategy”) delivered impressive *absolute* and *relative returns* through the first three months of 2022, outperforming the S&P 500® Index by **±0.81%** during an extremely difficult period for global equity markets. The first quarter of 2022 (“1Q22”) saw the dramatic return of macro-driven financial market volatility, precipitated by marked escalations in geopolitical tensions, heightened concerns over inflation, and mounting anxiety over secular changes in monetary policy. While not immune to the short-term headwinds from these converging risk factors, the Strategy proved capable of mitigating incremental volatility and providing relative downside protection during the late-cycle sell-off in 1Q22. The positioning of the Strategy going into the year was designed to accomplish *inflation-protection* with *limited interest rate risk* (i.e., duration). This was a distinctly important thesis that enabled *superior risk-adjusted returns* in a market that turned out to be extremely punitive to conservative investors with considerable allocations to fixed income assets (i.e., bonds).

Bond markets rapidly priced in a significant shift in Federal Reserve (“the Fed”) monetary policy, with the Bloomberg U.S. Aggregate Index returning **-5.9%** in 1Q22, at a time when geopolitical events called for strong protection from bonds in portfolios. With global economies struggling to solve disruptive supply chain constraints following an unprecedented rebound/recovery in economic activity, demand-driven increases in

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### WEALTH ADVISORY OVERVIEW

#### SHOULD I KEEP (OR BUY) THE VACATION HOME?

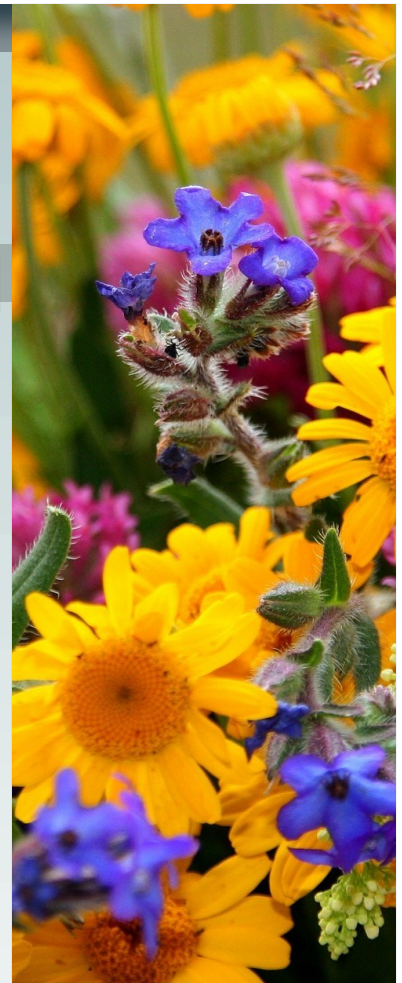
Every year we are asked about the financial benefits of owning a vacation home. It definitely depends on the location, intended use, as well as your individual financial situation. While realtors and management companies frequently offer online calculators, they tend to offer a rosy outlook for this type of investment. Individuals should work through their specific situation and model out the impact on their long-term financial security. Here are some items to consider while doing so.

##### Real Estate Costs and Borrowing Costs

Vacation properties are substantially pricier than similar homes located inland. During COVID, the attraction of “anywhere but here” in a drivable distance substantially increased the cost of beach and mountain homes. In addition, mortgage interest rates for vacation property loans are typically higher than those for primary homes. There are specific rules on whether and how interest will be deductible, depending on the number of days you use the property, how many days you rent it out, and the amount of your total home indebtedness.

A 1% difference in the interest rate can make a significant impact to your bottom line. At current interest rates, the principal and interest payment on each \$500,000 of debt increases by around \$300 a month.

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### POINTS OF INTEREST

- [Monthly Index Review](#)
- [Around McShane Partners](#)

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raw material and commodity prices have intensified inflationary pressures throughout the broader economy. While aggregate measures of year-over-year (“YoY”) economic growth remain robust, recent equity market performance reflects deteriorating confidence in near-/intermediate-term expected growth for the global economy, with financial markets vacillating between paralyzing fears over *stagflation* and anecdotal optimism that the Fed will be able to engineer a soft landing by tactfully tightening monetary policy to moderate inflation without inadvertently triggering a recession.

#### PERFORMANCE REVIEW

As can be seen in the consolidated performance review included in Table I, below, the Strategy returned **-3.79%** in 1Q22, outperforming both the S&P 500® Index (**-4.60%**) and the S&P 500® Growth Index (**-8.59%**) by **±0.81%** and **±4.80%**, respectively, for the year-to-date (“YTD”) period ended March 31<sup>st</sup> 2022. The relative outperformance of both *value* and *dividend-growth*, as represented by the S&P 500® Value Index (**-0.16%**) and the S&P 500® Dividend Aristocrats Index (**-3.01%**), respectively, in 1Q22 revealed investors’ shifting preferences for, and fixation on, *inflation-protection* and incremental *income-generation*. This can be seen in the relative outperformance of several of the *low-volatility*, *dividend-oriented* strategies included in the Strategy’s peer group in Table I, below, many of which benefitted from *positive net fund flows* in 1Q22.

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**TABLE I: MP CORE CONTRARIAN STRATEGY - PEER GROUP COMPARISON & PERFORMANCE ANALYSIS**  
USD TOTAL RETURN - DATA AS OF MARCH 31<sup>ST</sup> 2022

NAME/DESCRIPTION	SYMBOL/ TICKER	2020	2021	1Q22	2022 YTD
<b>MP CORE CONTRARIAN EQUITY PORTFOLIO STRATEGY*</b>		<b>17.29%</b>	<b>25.83%</b>	<b>-3.79%</b>	<b>-3.79%</b>
S&P 500® Index	SP50	18.40%	28.71%	-4.60%	-4.60%
S&P 500® Value Index	SVXK	1.36%	24.90%	-0.16%	-0.16%
S&P 500® Growth Index	SGX	33.47%	32.01%	-8.59%	-8.59%
S&P 500® Dividend Aristocrats Index	SP50DIV	8.68%	25.99%	-3.01%	-3.01%
Invesco S&P 500 High Dividend Low Volatility ETF	SPHD	-10.47%	24.65%	5.21%	5.21%
AMG Yacktman Fund - Class I	YACKX	15.04%	19.52%	-1.35%	-1.35%
Invesco S&P 500 Low Volatility ETF	SPLV	-1.57%	23.89%	-1.77%	-1.77%
WisdomTree US Quality Dividend Growth Fund	DGRW	13.48%	24.23%	-2.97%	-2.97%
ProShares S&P 500 Dividend Aristocrats ETF	NOBL	7.93%	25.24%	-2.97%	-2.97%
FlexShares US Quality Low Volatility Index Fund	QLV	9.43%	25.94%	-3.13%	-3.13%
iShares Core Dividend Growth ETF	DGRO	8.98%	26.40%	-3.43%	-3.43%
iShares MSCI USA Min Vol Factor ETF	USMV	5.35%	20.69%	-3.78%	-3.78%
FlexShares US Quality Large Cap Index Fund	QLC	13.29%	28.33%	-3.95%	-3.95%
MFS Low Volatility Equity Fund Cl A	MLVAX	11.15%	25.00%	-4.07%	-4.07%
SPDR SSGA US Large Cap Low Volatility Index ETF	LGLV	7.11%	27.68%	-4.31%	-4.31%
iShares Core S&P 500 ETF	IVV	17.96%	28.59%	-4.57%	-4.57%
Fidelity U.S. Low Volatility Equity Fund	FULVX	3.81%	17.52%	-4.59%	-4.59%
Vanguard Dividend Appreciation ETF	VIG	15.09%	23.55%	-5.18%	-5.18%
Parnassus Core Equity Fund-Investor Shares	PRBLX	20.77%	27.38%	-5.74%	-5.74%
Invesco S&P 500 Quality ETF	SPHQ	16.94%	27.86%	-5.88%	-5.88%
FMI Large Cap Fund Investor Class	FMIHX	10.09%	18.00%	-6.16%	-6.16%
iShares MSCI USA Quality Factor ETF	QUAL	16.66%	26.76%	-7.25%	-7.25%

\* For Additional Information, Please Refer to Disclosures: The McShane Partners Core Contrarian Equity Portfolio Strategy

Source: McShane Partners - Evestnet | Tamarac, Inc. & FactSet Research Systems, Inc.

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### THE MCSHANE PARTNERS CORE CONTRARIAN EQUITY PORTFOLIO STRATEGY

A second important pillar going into 2022 was the Strategy's *style-agnostic positioning* and *diversification* by sector, cyclical, and valuation, allowing the Strategy to perform consistently, while also mitigating the volatility associated with the meteoric rotation out of growth and into value. Too much information technology (i.e., tech) was not a good thing this year, and, despite being secular tech bulls, the technical indicators were flashing warning signs that the trade was crowded and aging.

#### PORTFOLIO OVERVIEW

The *largest positive contributors* to *absolute* and *relative* performance came from the Strategy's long-term positions in shares of NUCOR CORP. ("NUE") and DEERE & Co. ("DE"), which returned **+30.66%** and **+21.47%**, respectively, in 1Q22. The relative outperformance of both NUE and DE generated *net investment gains* that largely offset the *net investment declines* in both ANSYS, INC. ("ANSS") and STARBUCKS CORP. ("SBUX"), which returned **-20.81%** and **-21.83%**, respectively, in 1Q22 and were the *largest detractors* to portfolio-level performance for the Strategy.\*

While the Strategy's lack of dedicated exposure to the ENERGY sector (**+39.03%**) weighed on relative performance vs. the broader S&P 500® Index in 1Q22, the aforementioned relative outperformance of the Strategy's core positions in NUE and DE provided considerable positive sector-level contribution, respectively, and drove the majority of the Strategy's relative outperformance for the quarter.

The Strategy's overweight allocation to the INFORMATION TECHNOLOGY sector (**-8.36%**) did represent a *net headwind* to portfolio-level performance in 1Q22, although the portfolio's contrarian positioning in *high-quality, secular growth* names within the sector mitigated excess volatility and minimized relative downside capture throughout the quarter.

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**TABLE II: S&P 500® INDEX SECTOR HEAT MAP**  
USD TOTAL RETURN - DATA AS OF MARCH 31<sup>ST</sup> 2022

SECTOR-LEVEL INDEX	2019	2020	2021	1Q22	2022 YTD
<b>DEFENSIVES</b>					
Utilities	+26.35%	+0.48%	+17.67%	+4.77%	+4.77%
Communication Services	<b>+32.69%</b>	<b>+23.61%</b>	+21.57%	<b>-11.92%</b>	<b>-11.92%</b>
Health Care	<b>+20.82%</b>	+13.45%	+26.13%	-2.58%	-2.58%
Consumer Staples	+27.61%	+10.75%	<b>+18.63%</b>	<b>-1.01%</b>	<b>-1.01%</b>
<b>NEAR CYCLICALS</b>					
Energy	<b>+11.81%</b>	<b>-33.68%</b>	<b>+54.64%</b>	<b>+39.03%</b>	<b>+39.03%</b>
Financials	<b>+32.13%</b>	<b>-1.69%</b>	<b>+35.04%</b>	-1.48%	-1.48%
Real Estate	+29.01%	<b>-2.17%</b>	<b>+46.19%</b>	-6.22%	-6.22%
<b>CYCLICALS</b>					
Information Technology	<b>+50.29%</b>	<b>+43.89%</b>	+34.53%	<b>-8.36%</b>	<b>-8.36%</b>
Consumer Discretionary	+27.94%	<b>+33.30%</b>	+24.43%	<b>-9.03%</b>	<b>-9.03%</b>
Industrials	+29.37%	+11.06%	<b>+21.12%</b>	-2.36%	-2.36%
Materials	<b>+24.58%</b>	+20.73%	+27.28%	-2.37%	-2.37%
<b>S&amp;P 500® INDEX</b>	<b>+31.49%</b>	<b>+18.40%</b>	<b>+28.71%</b>	<b>-4.60%</b>	<b>-4.60%</b>

Source: McShane Partners - FactSet Research Systems, Inc.

\* In accordance with Rule 206(4)-1(a)(2) of the Investment Adviser Act of 1940 (the "Advisers Act"), upon request by an individual or interested party, McShane Partners (the "Adviser") will make available a list of applicable discretionary investment recommendations made by the Adviser with respect to the McShane Partners Core Contrarian Equity Portfolio Strategy (the "Strategy") over the corresponding trailing 12-month period ended March 31<sup>st</sup> 2022.

**INVESTMENT OVERVIEW****THE MCSHANE PARTNERS CORE CONTRARIAN EQUITY PORTFOLIO STRATEGY****REITERATING RISK MANAGEMENT**

Throughout 1Q22, the Investment Team took advantage of tactical opportunities to manage risk-return exposures across Strategy investment portfolios by trimming/reducing overweight positions that had enjoyed exponential price appreciation over a relatively short period of time, while also moderately increasing or adding to positions in depressed names trading at irrational valuation discounts. As our positions with significant cyclicalities continue to roar higher, the Investment Team will manage the risk of *mean reversion* by controlling individual position sizes and trimming overweight holdings when they significantly exceed **±5.0%** of the investment portfolio. Furthermore, our inclination is to continue to *reduce* portfolio-level *equity market risk* (i.e., beta) over the next several months, as the Investment Team anticipates further volatility associated with rising interest rates and slowing economic growth domestically.

*“The test of a first-rate intelligence is the ability to hold two-opposed ideas in the mind at the same time and still retain the ability to function.”*

*- F. Scott Fitzgerald*

Given the rapid rise in bond yields and inflation, cash is a *much less attractive* option, as inflation erodes the purchasing power of the underlying principal; as such, the Investment Team’s primary focus will be on patiently investing cash in what increasingly appears to be an erratic amalgam of an extended market cycle and a global economy enduring annoyingly high inflation.

**MONTHLY INDEX REVIEW**  
USD TOTAL RETURN

<b>DATA AS OF APRIL 30<sup>TH</sup> 2022</b>	<b>APRIL 2022</b>	<b>2022 YTD</b>	<b>2021</b>	<b>2020</b>
S&P 500® Index	-8.72%	-12.92%	+28.71%	+18.40%
Dow Jones Industrial Average	-4.82%	-8.73%	+20.95%	+9.72%
NASDAQ Composite	<b>-13.24%</b>	<b>-21.00%</b>	<b>+22.18%</b>	<b>+44.92%</b>
Russell 2000	<b>-9.91%</b>	<b>-16.69%</b>	+14.82%	<b>+19.96%</b>
MSCI Emerging Markets	-5.55%	-12.09%	<b>-2.22%</b>	+18.69%
MSCI EAFE	-6.38%	-11.80%	+11.78%	+8.28%
Bloomberg Barclays U.S. Aggregate Bond Index	-3.79%	-9.50%	<b>-1.54%</b>	+7.51%



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#### **DISCLOSURES: THE MCSHANE PARTNERS CORE CONTRARIAN EQUITY PORTFOLIO STRATEGY**

Performance data for the McShane Partners Core Contrarian Equity Portfolio Strategy reflect aggregated, asset-weighted returns of underlying account-level performance and is unaudited.

**STRATEGY LIMITATIONS** The Investment Strategy (the “Strategy”) performance shown reflects the asset-weighted performance of actual performance data and time-weighted returns for representative Investment Portfolios (the “Portfolios”) over the respective time frames in accordance with the objectives of the McShane Partners Core Contrarian Equity Portfolio Strategy (the “MP Core Contrarian Strategy”) managed by McShane Partners (the “Adviser”). While the performance of the Strategy is believed to have been calculated reliably and accurately, the Strategy performance data and returns have not been audited, and, as such, the results are subject to limitations inherent in the use of historical performance reporting and returns.

**FEES & EXPENSES** Strategy performance results shown are presented net of applicable management fees of and assumes the reinvestment of dividends and all other income. Because some investors may have different fee arrangements, and, depending on the timing of a specific investment, net performance for an individual investor may vary from the net performance as stated herein.

Net Strategy performance is presented gross of custodial fees but net of investment management fees and transaction costs. Net performance is calculated by using the actual fees charged to each Investment Portfolio throughout the Strategy for the performance period. Returns include the reinvestment of dividends and other earnings. Prospective investors should expect their rates of return to be reduced by investment management fees, along with other expenses incurred in the management of the account, which are fully described in the McShane Partners’ Brochure (Form ADV Part 2A). Because some investors may have different fee arrangements and, depending on the timing of a specific investment, net performance for an individual investor may vary from the net performance as stated herein.

**OTHER INFORMATION** Past performance is not necessarily indicative of future results. All investments are subject to risk, and investing in accordance with the strategy, like all investments, may lose money. The performance shown is representative of investment strategies and styles used by the Adviser and such style may not be suitable for each potential investor. The Strategy is representative of an investment strategy and style used by the Adviser and such style may not be suitable for each potential investor. All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This is not to be considered as an offer to buy or sell any financial instruments. Additional information regarding policies for calculating and reporting returns is available upon request.

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#### **INFORMATION REGARDING BENCHMARKS & INDEXES**

Information about indexes is provided to allow for comparison of the performance of the Adviser to that of certain well-known and widely recognized indexes. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index, which also does not take into account trading commissions and costs. The volatility of indexes may be materially different from the performance of the Adviser. In addition, the Adviser’s recommendations may differ significantly from the securities that comprise the indexes.

**BENCHMARK & INDEX DEFINITIONS** The following benchmark and index definitions used by the Adviser for the Strategy have been sourced directly from the respective index provider’s website, and the data are considered to be widely-known, publicly-available information.

**RETURN METHODOLOGY** [S&P Dow Jones Indices](#) calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices: Gross Total Return (“TR”) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.

#### **S&P 500® INDEX**

The S&P 500® Index (“S&P 500®”) is widely regarded as the best single gauge of large-cap U.S. equities. There is over \$11.2 trillion indexed or benchmarked to the index, with indexed assets comprising approximately \$4.6 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

#### **S&P 500® VALUE INDEX | S&P 500® GROWTH INDEX**

The S&P U.S. Style Indices measure the performance of U.S. equities fully or partially categorized as either growth or value stocks, as determined by Style Scores for each security. The Style series is weighted by float-adjusted market capitalization (“FMC”). The Style index series divides the complete market capitalization of each parent index approximately equally into growth and value indices based on three factors each used to measure growth and value.

#### **S&P 500® DIVIDEND ARISTOCRATS INDEX**

The S&P 500® Dividend Aristocrats Index measures the performance of S&P 500® companies that have increased dividends every year for the last 25 consecutive years. The Index treats each constituent as a distinct investment opportunity without regard to its size by equally weighting each company.

## WEALTH ADVISORY OVERVIEW

### SHOULD I KEEP (OR BUY) THE VACATION HOME?

#### Insurance Rates

The homeowner's insurance on your vacation house is likely to be several times more expensive than that of your primary home. If you own a beach house, this is often mainly due to the mandatory flood insurance which has spiked in cost over recent years particularly on the East Coast, which has increasingly suffered widespread hurricane damage.

While the average premium for a homeowner's policy in North Carolina is slightly below the national average, the average premium for Wilmington is almost double that number. Insurance rates for Florida are now averaging \$10,000 a year for some locations!

#### Other Vacation House Expenses

Owning a vacation house involves costs above and beyond the mortgage, utility, and cable. For one thing, your tax bill is likely to be hefty, given the high value of many vacation houses. Are there Homeowner's Association Dues, landscaping that needs to be done?

Repairs and maintenance are frequently overlooked in this equation. With weather patterns becoming more severe, the costs and frequency of repairs could continue to increase. One rule of thumb for a maintenance and repair budget is to set aside \$1/square foot of your home every year, that might be double for a beach home and/or rental property, due to more extreme weather conditions. Another rule of thumb is to use 1% of the home cost as an estimate of the yearly maintenance and repair budget.

#### Property Management

Property management involves a lot more than signing lease agreements and collecting rent checks. When something breaks, such as an HVAC unit or a refrigerator, you are wholly responsible for the repairs. Finding someone to repair those items, supervising them, and getting them paid are often tricky tasks to accomplish remotely.

Unless you are a full-time real estate investor, you likely will not have the bandwidth to juggle these responsibilities. Therefore, you will want to employ a full-time property manager to handle daily tasks, especially if you intend to rent the property. A property manager will market your vacation house during tourist season, execute lease agreements, and evict derelict tenants. A good property manager is not cheap. Depending on the extent of services, most property managers charge 10% to 50% (around 30% is common) of the collected rent, which can quickly eat into your profit margin.

#### Percentage of Net Worth

Finally, and maybe the most important consideration is the percentage of your net worth that is invested in real estate versus other investments. This is a significant implication to retired parties. Do you have enough cash flow to support you in those lean months when the vacation home isn't rented? Do you have enough in liquid assets to fund living expenses?

How does the appreciation on the real estate compare with that of the stock market? The cumulative appreciation for Carolina Beach over the last ten years has been 81%, which ranks in the top 20% nationwide. That equates to an annual average appreciation of 6.11%. Prior to the recent run-up in home prices the ten-year average was well below 3%. That is not bad if it is a portion of your portfolio, however if it represents a substantial part of your net worth you may find yourself falling behind your retirement goals for preserving and growing wealth.

#### Taxes

Expenses related to the upkeep and improvement of the property, as well as depreciation for the initial cost of the property can provide a shelter from taxation for income received from rentals. However, the sale of a non-primary residence does not qualify for any exclusion from capital gains tax. If you held the property for at least one year the gain will qualify for the long-term capital gain rates, which are the lowest income tax rates in effect. In addition, any depreciation used to offset income during the period of ownership will reduce the tax basis in the home upon sale. Depreciation is a deferral of tax and not a reduction in tax.

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## WEALTH ADVISORY OVERVIEW

### SHOULD I KEEP (OR BUY) THE VACATION HOME?

#### Conclusion

The decision to retain (or purchase) a vacation home rather than to rent your fun involves multiple factors that need to be considered. These factors can affect multiple areas of a client's long-term financial plan. The McShane Partners planning team is here to assist with the evaluation of this important decision. Please contact your Wealth Advisor if you are considering purchasing a vacation home.

## SENIOR PLANNING: POTENTIAL "SURPRISE" RETIREMENT EXPENSES



Lorri Tomlin, FPQP™  
Partner | Wealth Advisor

You've worked hard to save and plan for your retirement. You've tracked expenses and have a good idea of how your assets will support you. But have you thought of everything? Here are few major expenses that you don't want to overlook.

**Health Insurance** - For some, healthcare costs are reduced when they transition from private or employer provided healthcare insurance to Medicare, but basic Medicare doesn't cover everything. Supplemental policies may be needed and can get expensive. In addition to the required premiums, don't forget to figure in co-pays, deductibles, and out-of-pocket expenses.

**Long-Term Care** - For those who don't have Long-Term Care insurance, which itself can be expensive, a long-term care event can deplete a nest egg in a hurry.

**Home Repairs or Renovations** - Even though your home may be paid for, unexpected repairs such as a roof replacement may be needed and can be

expensive. Mobility issues may require renovations such as widening doors for wheelchair access or converting space to provide a bedroom on the main level.

**Taxes** - Depending on the type of retirement savings, income from these resources may or may not be taxable. Be sure you understand what type of income you will have and what the tax liability may be.

**Transportation** - Just like your home, even if you own your car, expensive repair costs could be needed, especially if the car is an older model. Be sure to consider the possibility of needing to purchase new vehicles at some point.

**Travel & Entertainment** - One of the benefits of retirement is having the time to travel or attend special events but these often come with a large price tag.

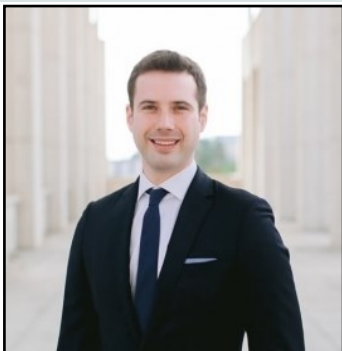
**Adult Children in Need** - If an adult child needs help, either due to a medical or a financial emergency, it is hard to say no. However, helping them could put your financial security at risk.

**Inflation** - While hard to predict, you can count on inflation to reduce your spending power and increase the cost of what you buy over time.

**A Longer Life** - Hopefully you will live a long and healthy life. Be sure to plan on living longer than you might expect so that you can enjoy any "bonus" years!

McShane Partners is here to help you plan for and navigate your "Golden Years". We can help ensure that you have considered any situations that may occur and the effect they may have on the success of your retirement planning.

## NEXTGEN: THE DIFFERENCE BETWEEN “GOOD DEBT” AND “BAD DEBT”



Ryan Vaudrin, CFP®, CFDA®  
Partner | Wealth Advisor

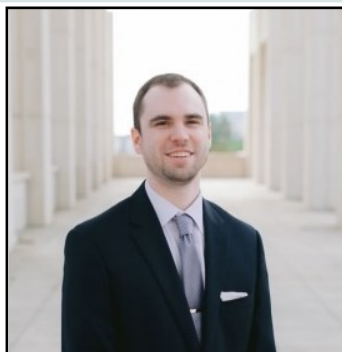
As individuals navigate through their various stages of life, debt accumulation is sometimes inevitable. Typically, most individuals do not want to have debt. However, an argument can be made that having some debt is not bad, because there is a difference between “Good Debt” and “Bad Debt”. The most common type of debt is consumer debt or a loan to an individual.

Good Debt can be classified as anything which enhances an individual’s situation or helps build their long-term net worth, such as loans for education, a home, or starting a business. These liabilities utilize debt as a tool and typically have an established repayment plan or offer the individual better opportunities for repayment.

On the other hand, Bad Debt is used to purchase depreciating or non-income generating assets. For example, car loans or credit card balances can be examples of Bad Debt. Cars and everyday items are essential to life but obtaining them with a loan may not be the best option. These loans typically have higher than “normal” interest rates associated with them, and the ease of acquisition may lead to individuals overspending without a suitable repayment plan.

Acquiring debt is normal, especially for young individuals who are establishing themselves as it can be easy and convenient to rely on Bad Debt even with better options. At McShane Partners, we can help analyze an investor’s current debt ratios and help budget the repayment of current debt and avoid future bad debts.

## NEXTGEN: BUYING VS. RENTING



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As housing prices continue to rise, the decision to purchase or rent seems to get even more complicated. This month we will compare the benefits and drawbacks to each option and when it might make the most sense for choosing a certain option.

### Home Ownership

Pros – Purchasing a home can make sense if an individual or family see themselves remaining in it for the immediate future, normally 3 to 5 years. As a homeowner, the residence is listed as an asset on a balance sheet which can build equity over time, especially in today’s environment. This growth can provide liquidity for future home purchases or other needs. Another advantage to owning a home is just that – ownership. When someone owns a home, it is theirs and they can remodel, renovate, decorate, etc. as they wish.

Cons – As with anything else in life, everything has its drawbacks. Owning a home also comes with added responsibilities and costs. The home will be added as an asset, but the mortgage is a liability. This can complicate things in the event of relocating due to an unforeseen event or circumstances such as employment changes. Home ownership also includes added costs such as maintenance, property taxes, and insurance premiums.

### Renting

Pros – One of the major advantages to renting a home or apartment is flexibility. If an individual enjoys moving around and exploring new opportunities, renting would be a much better choice. Renting also removes the responsibility of maintenance and home upkeep. If an appliance quits working, they won’t be faced with the cost of replacing it. While renters may pay just as much for rent as a mortgage, (or even more in some cases) they are not tethered to the long-term liability of a mortgage.

Cons – The obvious disadvantage of an apartment or rental home is the lack of ownership. Homeowners may not approve of changes to their home and will charge for any damages incurred during a tenants stay. Renters may also have a challenge finding a suitable unit or home if they have animals. Rental companies and apartments may charge a non-refundable pet fee or even deny an applicant based on the type of animal or breed.

Deciding between home ownership or renting will never be a cut and dry answer since an individual’s preferences and needs can vary greatly. Here at McShane Partners, we are happy to assist and guide our clients with dynamic and complex decisions. Please reach out to a team member if you have any questions or would like to discuss your current situation and options.



## AROUND McSHANE PARTNERS

### EVENTS ARE BACK!



We actively support the ARTS in Charlotte. Please let us know if you have an interest in the symphony, ballet, opera, shows, food and wine, etc. as we often have tickets available. Our initial sponsorship that brought Opera outside has become a consistent part of the Opera repertoire even after Covid. We would love to host you at one of these events and hope to see you outside with the Opera soon!

### BUILDING UPDATE



It is finally here! Our move in date is May 5<sup>th</sup>! We look forward to hosting you at our new location of 2150 Park Drive in the near future!

### WEDDING CELEBRATION



Congratulations to Ryan and Sonja who got married on Saturday!

### McSHANE PARTNERS

Wealth management is our only business; therefore, our attention is undivided, and our intentions are transparent.

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