

INSIGHTS

INVESTMENT OVERVIEW

VISITING WITH NUVEEN MUNICIPAL BOND MANAGERS

It is our belief that due diligence and face-to-face meetings are critical to the investment process thus we recently took a trip to the Nuveen headquarters in Chicago to sit down and speak directly with the individuals selecting bonds for our portfolios. We spent an entire day analyzing both the municipal and corporate bond portfolio managers and their teams. We've come away from the meetings with renewed conviction that Nuveen is the leader in municipal management and the organization is intact and flush with talent and tenor. Below is a synopsis of the main takeaways from our meetings, offering further insight on our outlook for the fixed income market, which is timely given the current volatility in the global markets.

John Nuveen, Sr. began his career in 1898 by underwriting municipal bonds. He offered his first municipal bond mutual fund in 1976. Then, in 1989, Nuveen Asset Management (Nuveen) was formally established, which pioneered municipal bond separately managed accounts in 1995 and launched a high yield municipal bond portfolio in 2000.

Nuveen currently manages \$142 billion in assets, of which the majority (86%), or \$122 billion, is fixed income assets and \$105 billion is municipal bonds specifically. Nuveen has 67 investment professionals dedicated to fixed income with an average of 21 years of experience, which is most impressive. Additionally, there are 23 research analysts with an average of 18 years of experience supporting the fixed

Continued on next page

WEALTH ADVISORY OVERVIEW

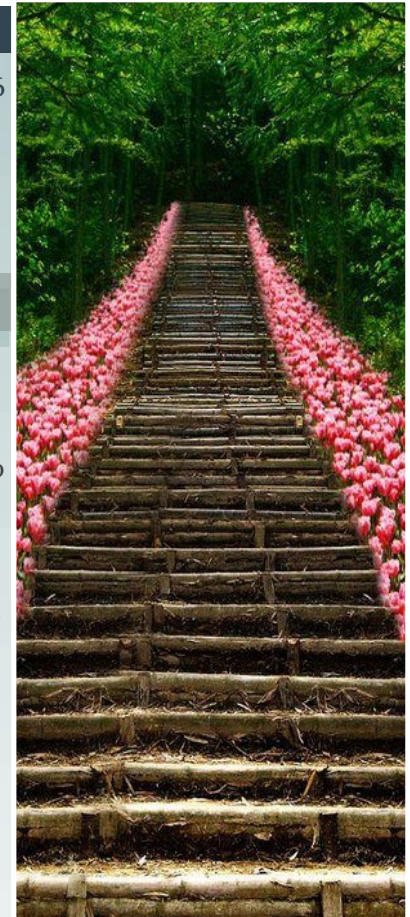
UNDERSTANDING YOUR PAYMENT OPTIONS FOR CONTINUING CARE RETIREMENT COMMUNITIES

A Continuing Care Retirement Community is a type of retirement community that offers several levels of health care on one campus:

- Independent Living for residents who do not need personal assistance
- Assisted Living for residents who require a little help with the activities of daily living
- Memory Care
- Skilled Nursing and Rehabilitation (both short and long-term)

While some retirement communities offer one or more services to meet challenging health care needs, only one type offers them all: Continuing Care Retirement Communities (CCRCs). The most expensive of all long-term-care options, CCRCs require an entrance fee, as well as monthly charges.

Continued on page 4



INVESTMENT TEAM

Daniele Donahoe, CFA
CEO & Chief Investment Officer
Elliott Van Ness, CFA
Director of Research & Portfolio Manager

Mary Rinehart, CFP®
Chairman & Portfolio Manager
Brittany Danahey, CFA
Portfolio Manager

WEALTH ADVISORY TEAM

Sandy Carlson, CFP®, CPA, CDEA™
President & Wealth Advisor
Brandon Davis, CFP®
Wealth Advisor
Lorri Tomlin, RP®
Wealth Associate
Cynthia Sims, JD
Client Service Associate & Communications Manager
Jeremy Williamson
Client Service Associate

SPECIAL POINTS OF INTEREST

- Stock & Strategy Spotlight
- Monthly Index Review
- Around Rinehart

INVESTMENT OVERVIEW

VISITING WITH NUVEEN MUNICIPAL BOND MANAGERS

income team at Nuveen.

MUNICIPAL BONDS (MUNIS)

Given their tax advantageous status, munis are predominantly located in taxable accounts, such as individual and trust accounts. The muni bond market is extremely nuanced and illiquid making scale, history and reputation critical for the following four reasons.

First, one of the main reasons the Investment Team has outsourced individual bond buying to Nuveen is to take advantage of Nuveen's size, scalability and network. The muni bond market is inefficient and deals are based on negotiations and access to and understanding of the new issuance calendar and process. Buying and selling individual munis is generally more expensive for individual investors buying small blocks of bonds versus institutional investors (i.e. Nuveen) capable of taking down an entire offering. For instance, an individual investor who buys \$25,000 worth of munis will experience 1.19% in trading costs, as compared to an institutional investor who buys \$1 million of munis will be charged 0.27% in trading fees.

Second, a new trend has developed over the past few years in which banks are making loans directly to municipalities; therefore, municipalities do not need to issue as many bonds to the open market in order to satisfy borrowing needs. This development impacts the end investor by decreasing the supply of munis available for purchase; therefore, the access that bond managers have to muni offerings plays a critical role. Given Nuveen's size, history and extensive network in the industry, Nuveen has unsurpassed access to muni bond offerings, one of the main advantages of choosing to work

with them.

In addition to access, proprietary credit analysis also plays an important role. The 2008 financial crisis exemplified why credit rating agencies are not trustworthy and independent credit analysis is critical in identifying the investment grade muni bonds we require for clients' fixed income allocations in order to protect on the downside, which is the role that fixed income plays in portfolio diversification for our clients. Nuveen employs 23 research analysts with an average of 18 years of experience to analyze and provide a proprietary credit rating on all bonds, which has and continues to contribute to Nuveen's bond selection capabilities as evidenced by relative outperformance versus competitors.

Finally, a unique facet of North Carolina (NC) munis is that the state of NC has a local government commission (LGC), which reviews all NC municipalities' financials before approving any bond issuances. Although this additional step further inhibits the supply of NC muni bonds, it also results in the majority of NC munis being of higher quality given the extra layer of approval before issuance, making us feel even better about a NC preference for our clients residing here.

In Chicago, we spent eight hours meeting with Nuveen's fixed income principals, including the Chief Fixed Income Officer, Head of Tax-Exempt Fixed Income, Head of Taxable Fixed Income, two senior research analysts and the lead trader who has a 20+ year tenure with the firm. We were impressed with the time dedicated by Nuveen's fixed income leadership team given their time is precious since they manage \$122 billion in assets. One of the highlights of our discussions was gaining a deeper

Continued on next page

MONTHLY INDEX REVIEW (USD TOTAL RETURN)

Data as of March 31 st 2016	March 2016	2016 YTD	2015	2014
S&P 500	+4.29%	+1.35%	+1.38%	+13.69%
Dow Jones Industrial Average	+5.00%	+2.20%	+0.21%	+10.04%
NASDAQ Composite	+3.94%	-2.43%	+6.96%	+14.75%
Russell 2000	+5.87%	-1.52%	-4.41%	+4.89%
MSCI Emerging Markets	+11.36%	+5.75%	-14.60%	-1.82%
MSCI EAFE	+5.62%	-2.88%	-0.39%	-4.48%
Barclays US Aggregate	+1.29%	+3.03%	+0.55%	+5.97%

INVESTMENT OVERVIEW

VISITING WITH NUVEEN MUNICIPAL BOND MANAGERS

understanding of Nuveen's customized proprietary credit rating software, which the research analysts populate with information and then the portfolio managers utilize said information when selecting which bonds to buy for client portfolios. Our trip reiterated our belief that Nuveen is the best muni bond manager for our clients given Nuveen's unparalleled industry history, consistent relative outperformance, deep bench of tenured investment professionals, relatively lower fees, unsurpassed access to bond issuances and exceptional research and trading expertise.

INVESTMENT GRADE CORPORATE BONDS

During the fourth quarter of 2015, the Investment Team adjusted the tactical allocation to investment grade corporate bonds (corporates) from underweight to neutral, thus negating the former overweight preference to munis relative to corporates. This shift was due to the widening of spreads between munis and corporates. Therefore investors were sufficiently compensated by a relatively higher yield in order to bear more risk by owning corporates instead of munis, while also foregoing the tax advantage because unlike munis, corporates do not generate tax-exempt interest. Consequently, the Investment Team normally prefers to utilize corporates in tax protected accounts, such as individual retirement accounts (IRAs).

Source: Raymond James

STOCK & STRATEGY SPOTLIGHT

Strategy Name	Ticker	March 2016
Wasatch Emerging Markets Small Cap Fund	WAEMX	+6.14%
Wasatch Frontier Emerging Small Countries Fund	WAFMX	+2.71%

Strategy Update - Mutual Fund Share Class Conversion

We converted eligible holdings of the above two Wasatch funds into recently-launched, newly-available institutional share classes as part of our ongoing efforts to minimize internal costs of portfolio management.

Source: FactSet Research Systems, Inc.

ABOUT RINEHART

Rinehart Wealth & Investment Advisory is an experienced, boutique Registered Investment Advisor dedicated to independent, comprehensive wealth management. Founded in 1985 by Mary Rinehart, the firm, from its inception, has had a singular focus: to provide highly customized investment management and financial planning solutions to clients.

Boutique Firm:

Being a boutique wealth management firm allows us the flexibility to provide more personalized service and offer unique investment solutions to clients in a Fee-Only environment.

Team Approach:

Because each client's situation is different, the team of advisors is hand-selected to ensure areas of expertise are appropriately aligned with the client's specific needs and interests.

Proprietary Investment Research:

The differentiating factor of our portfolio management process is the proprietary investment research driving the portfolio construction. All investment research and analysis is done entirely in-house by our Investment Team.

WEALTH ADVISORY OVERVIEW

UNDERSTANDING YOUR PAYMENT OPTIONS FOR CONTINUING CARE RETIREMENT COMMUNITIES

Entrance fees (an upfront sum to prepay for care as well as to provide the facility money to operate) can range from \$100,000 to \$1 million. Monthly charges can range from \$2,000 to \$5,000, but may increase as needs change. These fees are dependent on a variety of factors including health, the type of housing chosen, whether you rent or buy, the number of residents living in the facility, as well as the type of service contract. Additional fees may be incurred for other options including housekeeping, meal service, transportation and social activities. The American Association of Homes and Services for the Aging, a national organization which represents 5,700 senior housing facilities, has classified three common types of CCRC contracts:

Life Care Contract: This is the most expensive option

Fee-For-Service Contract: Under this type of contract, residents who require assisted living or nursing care pay the regular per diem rate that directly admitted residents pay; however, they may receive priority admission or guaranteed admission for those services.

Continuing care grants residents convenient access to most of the services that they require, all in one place. With the exception of a Fee-For-Service Contract, the cost of those services is included in the fees they pay under their contract. The Internal Revenue Service has provided guidance that allows residents of life care communities to take a medical deduction for the portion of their monthly fee and their entrance fee that is determined to be allocable to the organizations obligations to provide medical care.

“A long habit of not thinking a thing wrong gives it a superficial appearance of being right.”

Thomas Paine

because it offers unlimited assisted living, medical treatment and skilled nursing care without additional charges. Under a life care contract, a resident typically pays an upfront fee and an ongoing monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require assisted or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living.

Modified Contract: This contract offers a set of services provided for a set length of time. When that time expires, other services can be obtained, but for higher monthly fees. A resident typically pays an upfront fee and an ongoing monthly service fee for the right to lifetime occupancy of an independent living unit and certain services and amenities. However, under this type of contract, a CCRC is obligated to provide the appropriate level of assisted living or nursing care to residents of independent living units, as in a life care contract, but only for a limited period of time at the independent living rate (e.g. 30 – 60 days).

Today, seniors have more choices than ever regarding how to live out their final years. They are attracted to the idea of continued independence and the ability to make their own decisions about their future care needs. Equipping themselves with knowledge regarding their options for payment, is an important part of being able to select the contract type that is most appropriate for their situation.



AROUND RINEHART

RINEHART WELCOMES BRANDON DAVIS

We are thrilled to introduce Brandon Davis, CFP®, as the newest member of the Rinehart team. Brandon brings over 17 years of finance and wealth management experience to Rinehart. He spent 13 years at The Morehead Group as a Principal and Vice President collaborating with clients and their professional advisors to structure, implement and administer comprehensive life insurance plans designed to meet the complex needs of the affluent individual. Throughout his career, Brandon has focused on wealth transfer analysis, life insurance policy evaluation, design strategy and product selection as well as serving as the liaison with estate planning professionals, including attorneys, accountants, trust officers and wealth managers. Brandon's endearing personality and exceptional experience makes him an extremely valuable hire for our firm and further solidifies the capabilities, experience and integrity of Rinehart.

RINEHART'S WOMEN, WEALTH & WELL BEING ENRICHMENT SERIES

Rinehart's next enrichment series, "Planning For Your Legacy" will take place at our office Thursday, April 7th. We invite you to join us as Sandy Carlson breaks down the essential components of an estate plan and how to make sure that your plan is aligned with your goals. To attend, please email csims@rinehartwealthmanagement.com.



RINEHART JOINS BREAST FRIENDS

Rinehart is excited to sponsor the Pink House "Dancing With the Stars" inaugural fundraiser, Saturday, April 16th at the Booth Playhouse. Mark Balls Dance and Performing Arts team and Charlotte Ballroom will offer

an evening of tempting tangos, sizzling salsas and jumping jives, performed by local stars matched with professional dance instructors .

RWIA SUPPORTS THE BECHTLER ATOMIC 2016 GALA



CEO Daniele Donahoe will join a night of fun and philanthropy Friday, April 8th at the Bechtler's 7th annual fundraising event. The gala is a tribute to mid-century modern design on view in the museum's fourth-floor galleries in the exhibition, The House That Modernism Built. There will be inspired cuisine, live entertainment, dancing and a silent auction. All proceeds benefit the museum's operations and educational outreach efforts.

LEVINE MUSEUM'S TASTE OF THE NEW SOUTH

Daniele Donahoe supports Charlotte's "not -to-be-missed" fundraising event Thursday, April 14th . Taste of the New South delivers a creative, fun and unique experience for guests while proceeds help fund our surrounding communities' middle school, high school and college students. Thanks to event partners, sponsors, host committee members and guests, TONS has raised over \$1 million over the years.



RINEHART SUPPORTS ROOM TO BLOOM SYMPOSIUM

The 63rd Annual Room to Bloom Symposium will take place April 20th at the Charlotte Country Club and features Nathan Turner, one of Bravo's Million Dollar Decorators and celebrated designer to the stars. Rinehart is proud to be sponsoring this event again as money raised supports educational offerings for the community and funds acquisitions for the Museum's permanent collection.

Rinehart Wealth Management

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

521 East Morehead Street
Suite 580
Charlotte, NC 28202
Phone: 980-585-3373 Fax: 980-265-1274

rinehart@rinehartwealthmanagement.com

Information provided in this newsletter should not be considered or interpreted as advice for your particular financial situation. Please consult a professional advisor for advice regarding your specific financial needs.

CIRCULAR 230 NOTICE: To comply with requirements imposed by the United States Treasury Department, any information regarding any U.S. federal tax matters contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, as advice for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

This newsletter is for discussion purposes only and represents the opinions of Rinehart Wealth Management.

Rinehart Wealth Management is a Registered Investment Advisor.

