Rinehart Wealth Management
Greater Trust

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First Quarter 2013 Economic Overview

April 29th, 2013

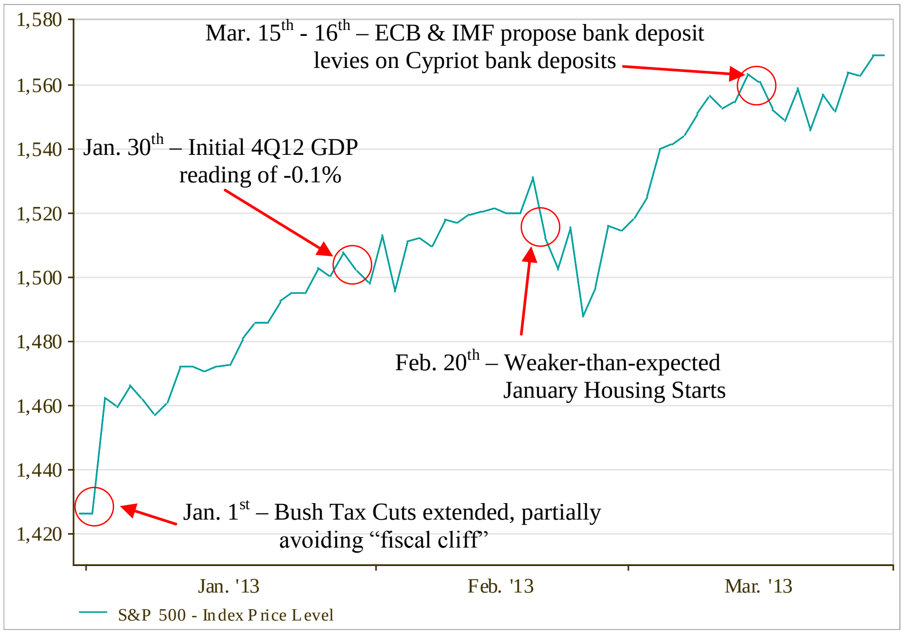
1Q13 Total Return Performance:

S&P 500	**10.61%**
Dow Jones Industrials	**11.93%**
NASDAQ Composite	**8.52%**
Russell 1000	**10.96%**
Russell 2000	**12.39%**
MSCI Emerging Markets	**-1.79%**
MSCI EAFE	**5.25%**

The S&P 500 continued to surprise to the upside during the first quarter of 2013, exhibiting a total return north of 10%. The main drivers of this stellar return were the extremely accommodative, unconventional monetary policy and the large amount of stagnant cash plowing into equities after sitting on the sideline for years.

Despite the increase in risk-taking toward the end of 2012, the underlying outperformance in the first quarter was weighted toward Defensive sectors. The consensus view is that there will be a market correction this summer. However, we are hesitant to run for the exit. Please join our quarterly webinar on May 2nd at 10:00am as we review the first quarter and our thoughts for the rest of 2013.

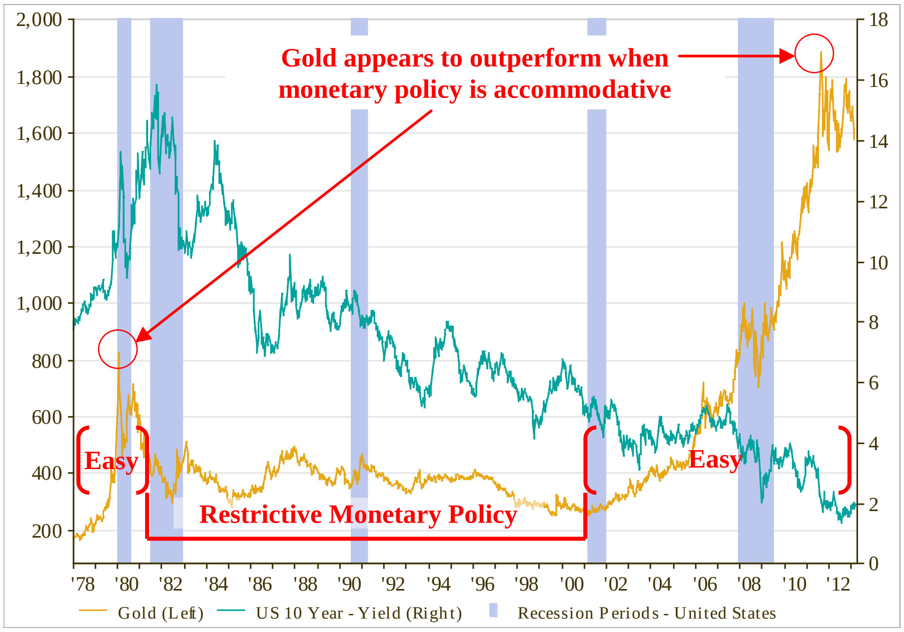
Chart I: S&P 500 Performance



Source: FactSet Research Systems – Rinehart Wealth Management

Recently, gold and precious metals exhibited a rapid descent into bear market territory. We have been negative on gold since the first quarter of 2011, when we first incorporated Chart II in our discussions with clients. This chart depicts the performance of gold during certain monetary policy environments: when rates rise and policy is restrictive, gold appears to underperform.

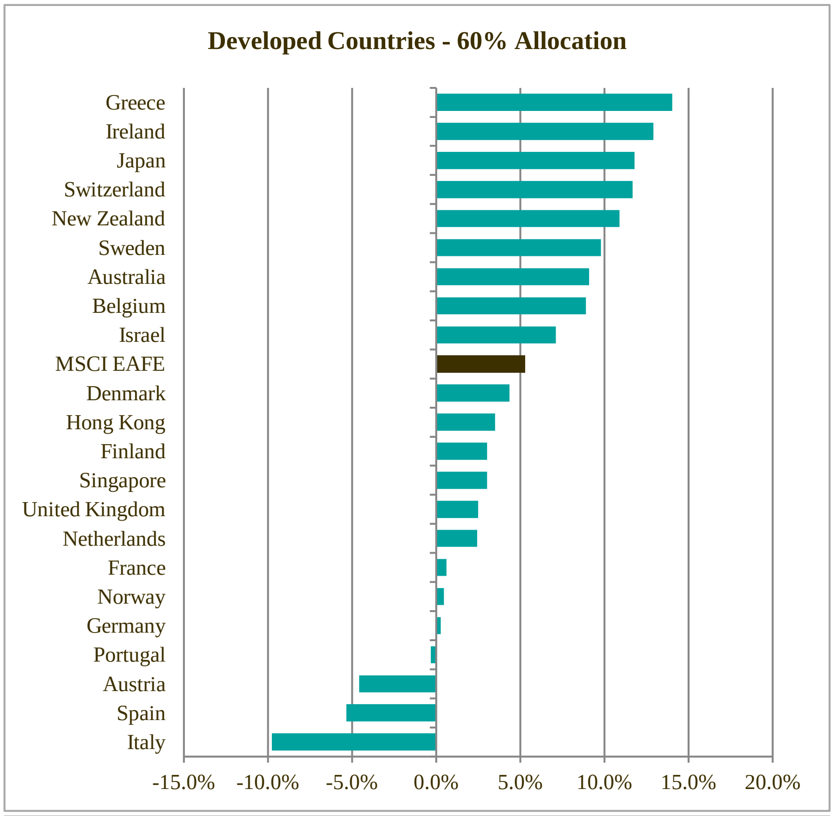
Chart II: Monetary Policy – Gold vs. Interest Rates



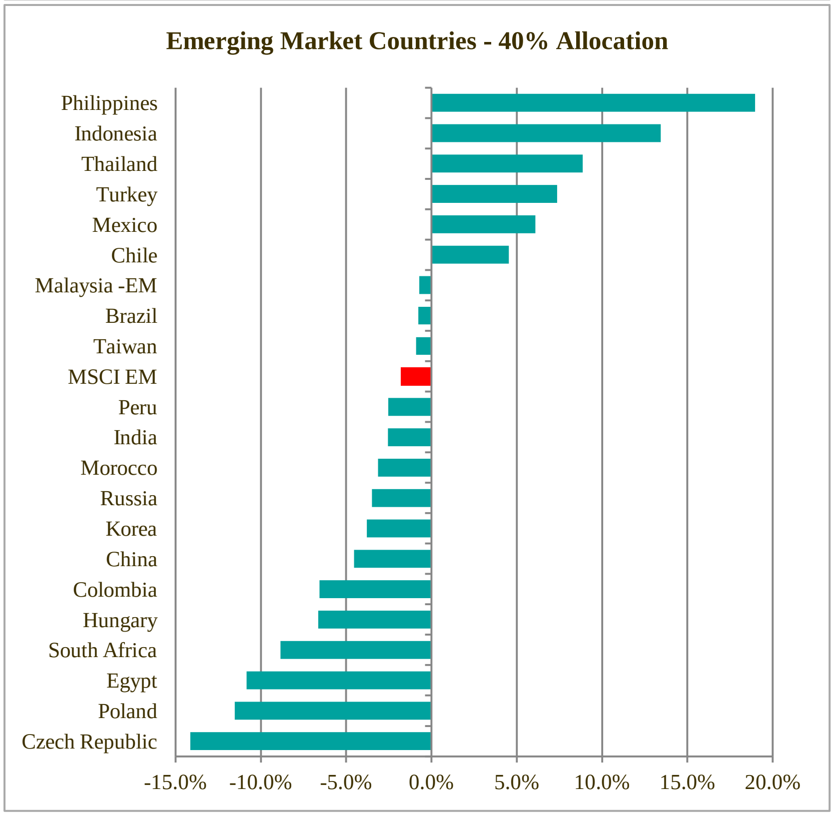
Source: FactSet Research Systems – Rinehart Wealth Management

Gold is a "store-of-value" precious metal, void of any importance in manufacturing processes. Gold is typically used as a hedge against inflation or safe haven during volatility. The recent activity in gold calls into question the latter. It is our belief that the advent of ETFs to gain exposure to gold enabled a bubble, and the recent initial drop represents a technical break and a harbinger for further declines. We caution that owning too much gold and fixed income could create an unintended negative drag on a portfolio, especially if rates move higher.

Below we highlight the global equity performance. Of note, the Emerging Market index significantly underperformed the Developed Markets.



- We saw Developed Markets outperform Emerging Markets, as measured by the MSCI indices, in the first quarter.
- Abenomics drives continued strength in Japan.



- Emerging Market underperformance resulted from a resurgence in concerns surrounding China.
- While investors continue to be disappointed with Emerging Market performance, the failure to revise lofty expectations could lead to further negative surprises.
- Commodities have traded down in sympathy with Emerging Markets.

Source: FactSet Research Systems – Rinehart Wealth Management