Rinehart Wealth Management
Greater Trust *Celebrating 30 Years!*

April 2015

INSIGHTS

Investment Overview

The Almighty Dollar

With global currency wars creating political tension and potential animosity, questioning the longevity of US dollar dominance is understandable. Many lament the implications of the almighty dollar's continued reign as the established global reserve currency, but proposed alternatives are sparse and unrealistic at this point. As the owner of the reserve currency since the abandonment of the gold standard, the United States possesses certain unilateral powers and privileges, which have, at times, caused unrest amongst trading partners: specifically, the US' ability to devalue its debt obligations, influence currency markets, and affect its trade balance (i.e., net exports) through monetary policy. Given the requisite infrastructure investments and lack of credible alternatives, we do not expect that the almighty dollar will falter anytime soon. We do, however, remain cautious that the US need not abuse its power and stature, as our trading partners may grow weary of accepting the US dollar as the only option in an increasingly global economy.

A Brief History

The earliest coordinated international monetary system was based on the "gold standard," which established standardized units of value based upon a fixed quantity of, or weight in, gold. With the formation of the International Monetary Fund (IMF) in 1945, a par value system, known as the Bretton Woods system, enabled countries joining the IMF to maintain exchange rates pegged to the US dollar ("USD"), which, in turn, maintained a fixed-value in terms of gold. The IMF and the implementation of the Bretton Woods system was critical in promoting international economic trade by establishing an institution responsible for governing exchange rate stability. In 1971, the gold exchange standard of the Bretton Woods system was abandoned as it had

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Financial Advisory Overview

Collaborative divorce

Anyone who has gone through a divorce will tell you that it can be one of the most challenging experiences of your life. Statistics show that fifty percent of first marriages end in divorce while the divorce rate is even higher for second marriages. Divorce has emotional and financial implications for all parties involved. Fortunately, a collaborative method is emerging to address the complex issues surrounding divorce in a productive, informed manner that often minimizes the emotional anguish and adverse financial consequences of a lengthy divorce.

North Carolina requires couples to live apart for one year before granting a divorce. During that time, divorcing couples may seek alternative methods to resolve disputes rather than going through an expensive, litigious trial. Two traditional alternative dispute methods include mediation and arbitration. The former involves an

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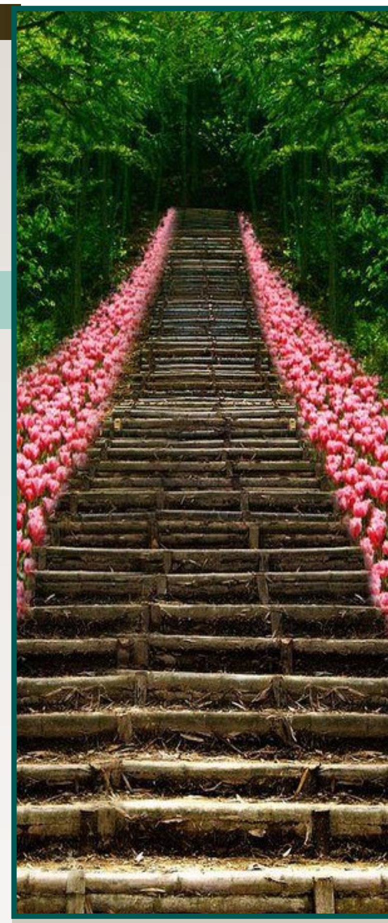

Investment Team

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Special points of interest

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become increasingly unstable and restrictive with an overvalued USD. The IMF has since allowed members to adopt any form of exchange rate management, except for pegging their currencies to gold due to the prior difficulties and eventual inability to maintain a fixed peg under the Bretton Woods system.

Following the Bretton Woods era, the USD remained the de facto reserve currency, reinforced by the strength of the US economy and stability of the US government relative to alternatives. Over the years, the infrastructure and technology enabling global commerce was designed for a USD-denominated trading and exchange platform. The majority of currency and currency-futures trading occurs via USD-based exchanges and is settled in USD. Furthermore, numerous commodities are priced and traded in terms of USD.

Foreign exchange reserves are a good indicator of the relative strength and status of hard currencies because currencies become increasingly useful the more a currency moves through the financial system, which, in turn, increases the demand for the currency. Because the USD is viewed as both necessary for trade and a safe-haven currency, foreign countries and central banks have built considerable USD reserves. According to the January 30th data from the US Treasury Department, China and Japan are the two largest foreign holders of US Treasury Securities, with approximately $2.5 trillion of the roughly $6.2 trillion held by foreign governments. There is considerable debate and concern regarding US' reliance on these countries' propensity to continue their purchases of US debt.

The USD & Monetary Policy

As the world's largest, most widely-held reserve currency, the US enjoys certain perks, such as the ability to manage the rate on its outstanding debt obligations through interest rates policy. Imagine the cash flow conundrum the US government would face if the interest rate on its debt were to rise rapidly? As such, the US is incentivized to manage interest rate policy with extreme care.

In response to the deepening financial crisis, the Federal Reserve lowered the federal funds and purchased unprecedented amounts of US debt securities in an attempt to increase the money supply and stimulate the velocity of money (i.e., the frequency of USD moving through the economy). The result was the devaluation of the USD relative to other currencies as interest rates plummeted. By decreasing the cost of borrowing and increasing the money supply through multiple iterations of quantitative easing spanning almost six years, from November 2008 through October 2014, the Fed promoted economic growth in US exports as the devalued currency made US goods cheaper for consumers abroad. This environment benefited US-based companies with extensive overseas businesses as well as created a favorable translation and conversion effect whereby revenue generated overseas was recorded at favorable exchange rates.

Conversely, when the USD rises, US exports become more expensive relative to countries whose currencies are depreciating, creating a headwind for companies exporting abroad. From 2009 through 2014, the average level of the Federal Reserve's USD Major Currencies Index was 75.30 (1.33 USD per currency unit), while the average exchange rate versus the Euro ("EUR") was 1.34 USD/EUR. As can be seen in Chart I, however, the USD has suddenly spiked over +20.3% since June 2014 relative to the Major Currencies Index, which includes the EUR and the Japanese Yen ("JPY"), among others. The concern is not necessarily that the USD has recovered in relative value and appreciated, but, rather, the fact that the pace and magnitude of the USD appreciation were so abrupt.

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Monthly Index Review

Data as of March 31st, 2015	March 2015	2015 (YTD)	2014
S&P 500	-1.58	0.95	13.69%
Dow Jones Industrials	-1.85	0.33	10.04%
NASDAQ Composite	-1.17	3.79	14.75%
Russell 2000	1.74	4.32	4.89%
MSCI Emerging Markets	-1.40	2.28	-1.82%
MSCI EAFE	-1.43	5.00	-4.48%
Barclays US Aggregate	0.46	1.61	-5.97%

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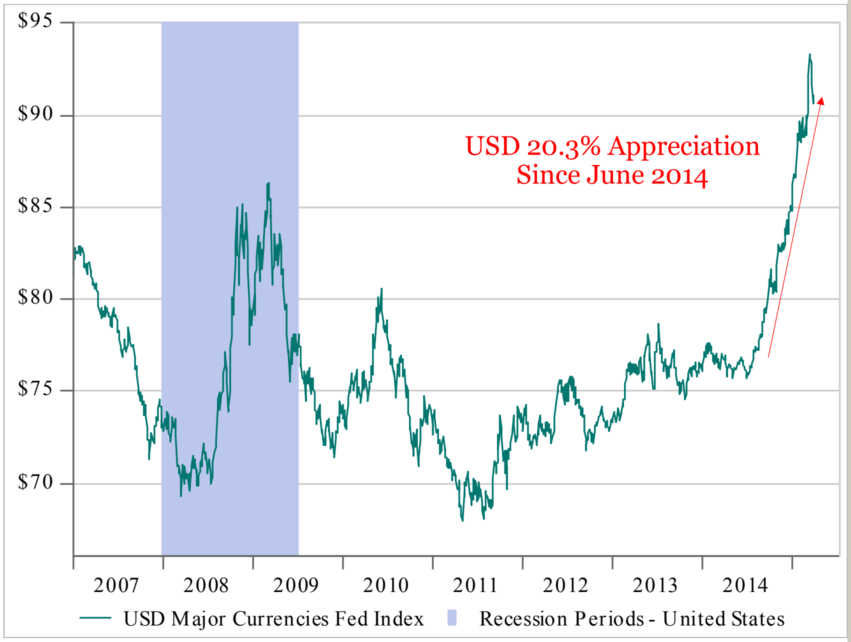
This caused major headwinds to corporate earnings in the second half of 2014, the true extent of which became apparent during the first quarter of this year. Exposure to foreign currencies should continue to be painful for large multinational companies through the first quarter of 2015, at the very least, given the continued rise of the USD versus major currencies, with the USD up +7.1% year-to-date. As a result of increased pressure from foreign exchange volatility, corporate earnings estimates have come down across several sectors. Despite the negative earnings revisions, the USD normally strengthens as the result of increased confidence in the US economy and an associated expectation of interest rates moving up.

Chart I: USD Major Currencies Fed Index



Source: FactSet Research Systems

"A gold standard doesn't imply stability in the prices of goods and services that people buy every day, it implies a stability in the price of gold itself."

Ben Bernanke

This helps to explain why the S&P 500® Index is up 0.95% year-to-date, despite the decline in earnings expectations.

With all of the countries around the world fighting for a larger slice of decelerating global GDP growth, we expect currency to remain an important factor in the market for the foreseeable future. Although many counterparts might not enjoy being beholden to the almighty USD, the relative confidence in this reserve currency is reflected in its appreciation, making it a safe-haven in a global marketplace full of volatile currencies.

Investment Overview

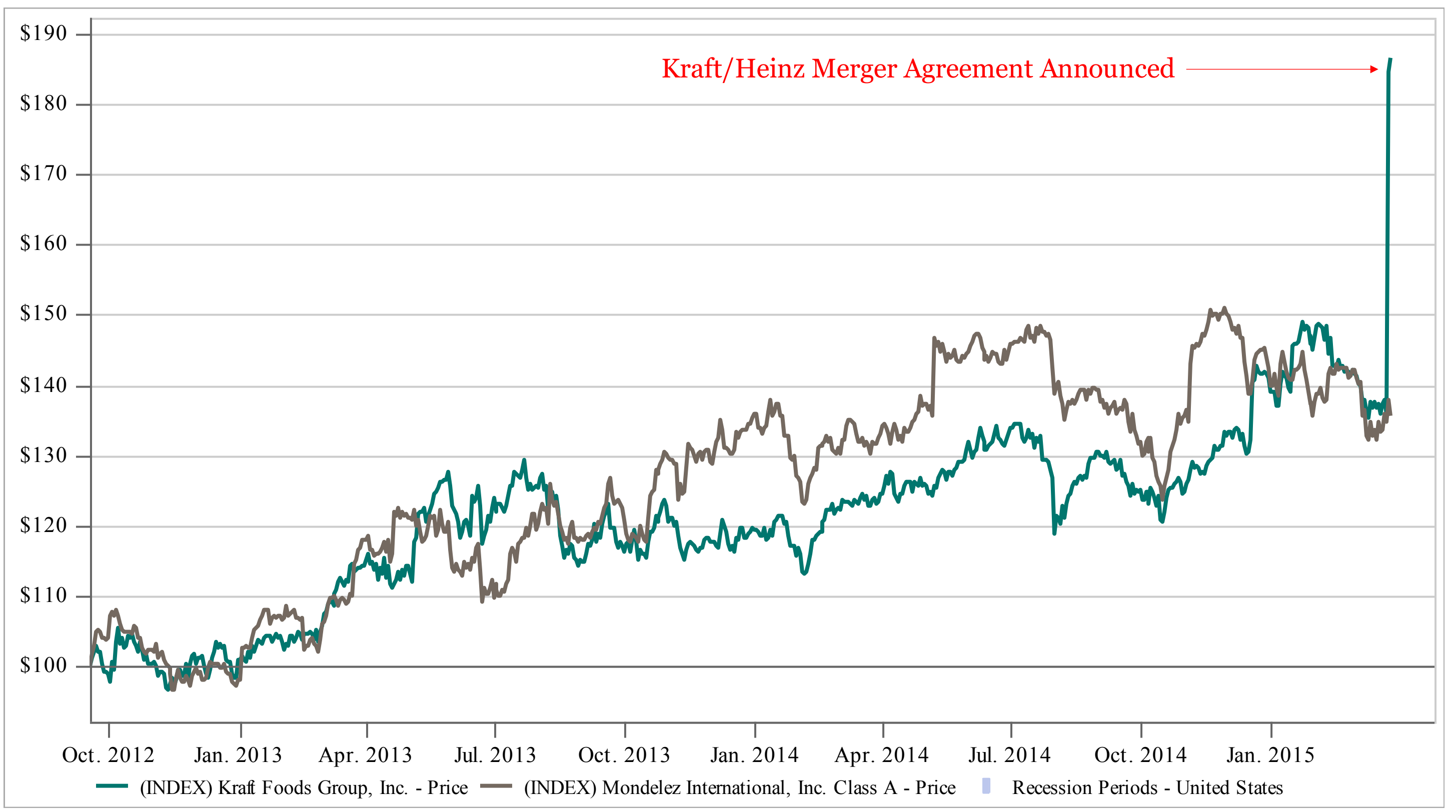
Stock & Strategy Spotlight

Company Name:	Ticker:	2015 (YTD)
Kraft Foods Group, Inc.	KRFT	+39.03%

Company Description:

Kraft Foods Group, Inc. ("KRFT") is a global leader in the manufacturing and marketing of food and beverage products, operating through six distinct business segments: Beverages, Cheese, Refrigerated Meals, Meals & Desserts, Enhancers & Snack Nuts, and, of course, Canada. KRFT's well-known and popular brand portfolio includes household names such as Kraft Macaroni & Cheese, Velveeta, Oscar Mayer, Planters, Maxwell House, Jell-O, Kool Aid, and many more. KRFT was formed in October 2012 as part of a previously announced spin-off of the North American Grocery Business segment of Kraft Foods, Inc., which became Mondelez International, Inc. ("MDLZ"). At the time, we preferred the higher-yielding shares of KRFT over MDLZ, subsequently building positions in KRFT and rotating out of MDLZ across portfolios. Last week, on March 25th, KRFT announced that it had entered into a definitive merger agreement with H.J. Heinz Co. to form The Kraft Heinz Company, effectively creating the third-largest food and beverage company in North America. As part of the current merger agreement, both Berkshire Hathaway, Inc. and the private equity firm 3G Capital Management, Inc. have agreed to provide a combined additional equity contribution of approximately $10 billion in order to satisfy the special cash dividend of $16.50 per share payable to KRFT shareholders. In addition to the special cash dividend, KRFT shareholders will receive stock in the combined company, while current Heinz shareholders, Berkshire and 3G, will continue to own a 51% stake, on a fully diluted basis, in the combined company. Back in February 2013, H.J. Heinz Co., a former RWM Core 20 favorite, announced that it had entered into an agreement to be acquired by Berkshire and 3G, causing shares of H.J. Heinz Co. to jump over 19% and providing a healthy return across portfolios. It is validating to see our stock selection process rewarded through M&A, as we tend to favor the same high-quality franchise stocks at reasonable valuations that Warren Buffett finds attractive, with portfolios twice benefiting from the merger activity financed by Buffett's Berkshire and 3G.

Chart II: Kraft Foods Group, Inc. ("KRFT")



Source: FactSet Research Systems

Financial Advisory Overview

Collaborataive divorce

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independent third party working with the couple to negotiate a settlement allowing both parties to share in the decision making process. This process can lower legal costs while providing a greater likelihood that the parties honor the agreement. Arbitration, on the other hand, is an adversarial process where an arbitrator imposes a legally binding decision after reviewing evidence in the case. This option is hlpful when disagreement results in gridlock.

Collaborative divorce is emerging as a welcome alternative to the traditional dispute resolutions outlined above. Under the guidance of their respective lawyers, divorcing couples collaborate with a team of trained professionals to resolve emotional and financial disputes respectfully outside of court. When necessary, professionals such as marriage counselors and financial specialists are brought in to advise on matters in their areas of expertise. Because of the financial complexity inherent in divorces, financial planners and tax professionals are playing a more active role in alternative dispute resolutions. However, many of these professionals have little or no training specifically related to the complex financial issues of divorce. To best meet the financial needs of divorcing clients, the Certified Divorce Financial Analyst (CDFA™) designation was created.

A CDFA™ professional typically comes from a financial planning, accounting, or legal background and goes through an intensive training program to become skilled at analyzing and providing expertise on both the short and long-term financial implications of divorce. When a CSFA™ is involved early in the process, they can provide comprehensive and accurate financial information necessary to reach a workable agreement as well as explain options, help set priorities and assist with the difficult choices involved in reaching a settlement. Enlisting the help of a CDFA™ professional can help all parties understand the financial implications both during and after divorce and help ensure a stable economic future for both parties while preventing long-term regret over misguided financial decisions made under the duress of divorce.

RWM's Wealth Advisor Andrew Savant CFP® and Senior Client Service Representative Lorri Tomlin celebrated their birthdays in style on St. Patrick's Day!

RWM welcomes Brittany danahey

Brittany Danahey joins Rinehart Wealth Management as a Portfolio Manager adding to the bench strength of Rinehart's Investment Team. Brittany brings over seven years of investment management experience to the firm most recently as an investment adviser at GenSpring Family Offices, a multi-family office located in Charlotte, NC. For the past four years, Brittany advised clients on complex investment portfolios while developing proprietary and customized economic write-ups providing clients with insight into portfolio performance and market factors. While at GenSpring, Brittany took an active role in client education initiatives designed to build a base of knowledge around investments, trusts and estates, premarital financial planning, retirement planning and insurance. Also, she participated as a member of the firm's portfolio construction group, focusing on alternative asset managers. Before joining GenSpring, Brittany worked as an international investment analyst for three years at Cambridge Associates, LLC, an investment consulting firm in Washington, DC.

Brittany is a Level III candidate in the CFA® Program and a member of the North Carolina CFA Society. She holds her Series 65 license. She received her Bachelor of Science in Business Administration with a concentration in Finance from Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. She also received a Bachelor of Arts in Romance Languages (Spanish) from the University of North Carolina at Chapel Hill.

Good Friday

We will be closed Friday, April 3rd in observance of Good Friday. Please email your Wealth Advisor if you need immediate assistance and they will respond as soon as possible.

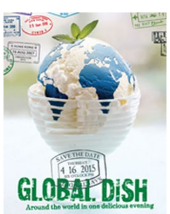
RWM HAS FUN WITH FFTC

RWM is hosting a table at one of the region's largest and most anticipated nonprofit gatherings. Over 1,500 professionals will celebrate philanthropy and civic leadership at the FFTC Annual Meeting and also hear from national acclaimed photographer Platon, whose portraits of world leaders have been featured in publications including *Time, The New Yorker* and *Rolling Stones*. Platon's photography aspires to break barriers, expand dignity, fight discrimination and enlist the public to support human rights around the world.

Rwm sponsors "Room to bloom"

RWM is a proud sponsor of the 62nd Annual Room to Bloom Celebration, the premiere fundraiser for The Mint Museum. Since its inception over 60 years ago, this effort has contributed over $12 million towards the Mint's initiatives. The Symposium, featuring keynote speaker Aerin Lauder, will be held April 22nd at the Charlotte Country Club.

RWM DISHES IT OUT GLOBALLY



RWM is sponsoring the Levine Museum's signature fundraiser, Taste of the New South: Global Dish. The April 16th event will celebrate Charlotte's global diversity through a culinary adventure of foods from around the world. Funds received serve Levine Museum's ongoing educational and outreach programming directly impacting our surrounding communities' middle, high school and college students.

Rwm follows the yellow brick road

The Yellow Brick Road Walk raises money and awareness for Charlotte Family Housings' cause of helping families move from homelessness to stability. As a Yellow Brick Sponsor, RWM will team up with our wonderful HOPE family April 19th to walk the 2.5 mile route in Charlotte's beautiful Plaza Midwood neighborhood.

RWM SPONSORS CHILDREN'S SCHOLARSHIP FUND

RWM is sponsoring the Children's Scholarship Fund's 10th Annual Charlotte Investment Leaders' Spring Speaker Series. The event will be held at the Duke Mansion April 21st with 100% of the proceeds dedicated to scholarships for economically disadvantaged children (grades K-8) to attend independent schools.

RWM TEAMS UP WITH THOMPSON

RWM is proud to sponsor Thompson's Annual Portraits of Courage Luncheon held uptown at The Westin April 28th. Thompson helps children and families struggling with neglect, abuse and hardship establish healthy relationships with their family and their community.

Rinehart Wealth Management

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

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