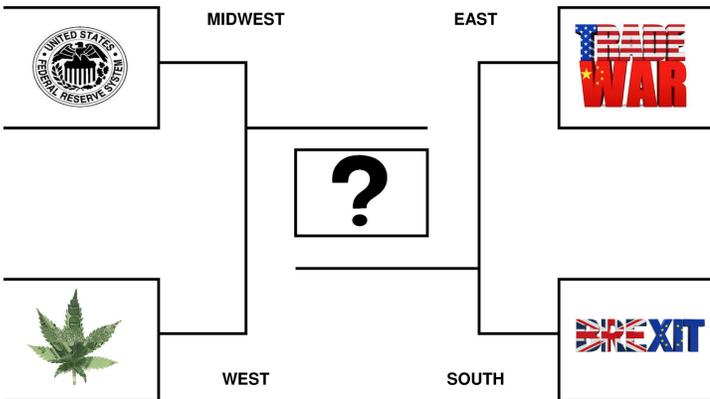




Investor's Final Four

For the first time in a while, it feels like investors have had a perfect bracket through the end of the first quarter. Much like the NCAA tournament, the favorites are leading a “chalk” bracket with U.S. stocks posting a 13.65% gain. This is quite a rebound from an awful fourth quarter performance in last years tourney. Many pundits would probably like the big dance to end right now and claim their one shining moment. However, there is more time left on the clock and the outcome is still undecided. With that in mind, let’s take a look at the top investment themes so far in 2019 and see which one will have the biggest impact on your portfolio moving forward.



Coming out of the Midwest region, we have the undisputed number 1 seed. The Federal Reserve has once again secured the top spot under the leadership of Coach Powell. In the past 6 months, the Fed has roiled markets with its flip-flop on monetary policy. This strategy change from a ball “hawk” defense to something more akin to a softer zone coverage has once again given life to all asset classes. However, fears of slowing economic growth have caused the dreaded yield curve inversion. This harbinger of imminent recession is definitely something to watch, and the President may look to appoint a new assistant coach soon to try and make sure the Fed once again reverts back to the full-court printing press.

Coming out of the West is a high flying mid-major that is making its first appearance in our

bracket. With the trend towards legalization of marijuana for medicinal and recreational use in the US and abroad, cannabis themed investments are burning down the nets with their hot shooting — up about 50% to start the tournament. While the potential long-term revenue growth of this consumer segment has enamored investors, in the interim, profits are non-existent. Those wishing for the ultimate Cinderella story will need to be patient and perhaps lock in some of those gains before their tourney hopes go up in smoke.

In the East we have another new contender that continues to impact the global economy.

The trade war between the U.S. and China has entered overtime after both parties failed to reach a substantive agreement ahead of the self-imposed March 1st. deadline. Although both sides seem to be getting closer to a deal that will address trade imbalance, government subsidies, market access, and intellectual property, the lack of clarity continues to keep markets on edge. The key to a resolution may be finding a referee that can enforce the rules and keep both sides from getting a double T (Tariffs and Tweets!)

Coming out of the South we have “Brexit” squarely back in the news and on investors’ minds. Dating back to the original vote in 2016, the United Kingdom (UK) and the European Union (EU) have kept International markets under wraps as they try to negotiate

2019 Market Wrap

S&P 500	13.6%
DOW	11.5%
RUSS 2000	14.2%
MSCI World	11.6%
BONDS	2.6%
GOLD	0.5%

Mortgage Rates

15-Year	3.25%
30-Year	4.00%
5/1 ARM	3.38%

Did You Know?

Thank you to all our clients who attended the event at the Boxcar Bar & Arcade in Greensboro!

For those who missed out, our next client appreciation event will be June 1st at the Durham Bulls Athletic Park. Come join us for food, fun and baseball in a private suite. The game is currently scheduled for Saturday at 6:35PM. Family members of all ages are welcome to come. Please RSVP to Walter or Ryan if you are interested in attending.



Final Four (Cont.)

an amicable divorce. Unfortunately, this game has also entered overtime, and Coach Theresa May can't even quit her job to pass the deal. With no easy path towards resolution ahead of the abrupt April 12th EU deadline, this

game could get ugly. Look for errant shooting by either team as an opportunity to invest long-term in what has been an underweight asset class.

-Walter Hinson, CFP®

For Love or Money?

One of the many parts of Social Security that is misunderstood is the Spousal Benefit. The Spousal Benefit is an alternative for those that have not worked long enough to accrue Social Security benefits (40 quarters), or may only be eligible for a small benefit based on their work history. From age 62 through full retirement age a spouse has the option of taking their own earned benefit, or opting for one half of their spouse's benefit. This benefit is permanently reduced by up to 32.5% if you elect to start drawing it at age 62. This works out to a reduction of 25/36 of one percent for each month before "full" retirement age, up to 36 months. If the number of months exceeds 36, then the benefit is further reduced 5/12 of one percent per month.

Year Born	Full Retirement Age (FRA) 100% Benefit
1937	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 to 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Another key part to the Spousal Benefit is that your spouse must apply for or "turn on" their benefit in order for you to receive it. In the past, a strategy called "File & Suspend," was used to trigger the spousal benefit while still delaying and accruing the working spouse's benefit. However, this loophole was closed by the Bipartisan Budget Act of 2015.

Another common question related to spousal benefits is where do they go if you get divorced? If you have been married for 10 years or longer, you will still be eligible for a

spousal benefit. However, your ex-spouse will need to turn on their benefit for you to become eligible. If they have not applied, you can still qualify if they are eligible to receive the benefits and you have been divorced for 2 or more years. If your ex-spouse remarries, your spousal benefit is not affected. If you remarry, then generally you can not collect on your former spouse's record.

What happens to my benefit if my spouse passes away? The simple answer is that you will now have what is called a Widow/Widower Survivor's Benefit which will be equal to what your spouse was receiving. You will no longer receive the one half spousal benefit, but instead will step up to the larger amount. The Survivor's Benefit can also be turned on as early as age 60.

Let's say you have a wealthy single friend with a terminal disease who has months to live. Can you marry this friend and then cash in on their Social Security Benefit when they kick the bucket? The first rule of the Spousal/Survivor's Benefit is that you must be married 9 months or longer to obtain it. If you are married less than 9 months, then your spouse must have been reasonably expected to have lived 9 months or longer, or have died from an accident. The Survivor's Benefit can also be contingent on whether you stay single. If you remarry before the age of 60, you cannot collect a Survivor's Benefit on your deceased spouse unless your later marriage ends for any reason. For a full list of all the rule nuances you can visit: https://www.ssa.gov/OP_Home/cfr20/404/404-0335.htm.

Who knew marrying for money could be so complicated?

-Ryan Glover, CFP®

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