

Q1 2021 News

April 23, 2021

Team Spotlight

2020 was a challenging time! Even though our work environment has changed, your Triangle Team remains committed to continuing education. Please join us in recognizing **Tanner Crawford** and **Dorothy Moravec** on their recent achievements.



L. Tanner Crawford, CFA®, CIPM®, Research Analyst, Portfolio Manager

joined TWM in 2014 and recently completed the CFP® certification process. The CERTIFIED FINANCIAL PLANNER™ certification has been the standard of excellence for financial planners for more than 30 years.



Dorothy Moravec, CMFC®, Portfolio Manager, joined Triangle in 2000 and recently

completed the APMA® program. The Accredited Portfolio Management AdvisorSM program educates advisors on the finer points of portfolio creation, augmentation, and maintenance.

Please join us in recognizing **Tanner Crawford** and **Dorothy Moravec** for their hard work.

Congratulations on their outstanding achievements!

Index	1st Quarter Total Return	YTD Total Return
S&P 500	6.17%	6.17%
Russell Mid Cap	8.14	8.14
Russell 2000	12.70	12.70
MSCI EAFE	3.48	3.48
Bloomberg Barclays US Aggregate Bond	-3.37	-3.37
Bloomberg Barclays Muni Bond Index	-0.35	-0.35
Dow Jones Industrial Average	8.29	8.29

*Index return data as of 3/31/2021 provided by Morningstar DirectSM

Quarterly Market Review

In contrast to the crisis conditions and extreme uncertainty brought on by the pandemic one year ago, optimism related to multiple successful COVID-19 vaccine candidates, unprecedented levels of fiscal stimulus and a commitment from the Federal Reserve to do “whatever it takes” to support the economic recovery has resulted in dramatic economic improvement and a buoyant U.S. stock market.

- The global stock market rally that took hold in 2020 following the abrupt crash at the onset of the pandemic continued into the new year. Most global stock markets rallied to new all-time highs in the 1st quarter despite the headwind of a strong U.S. dollar, which has pressured foreign stock returns and U.S. technology stocks with substantial international revenues.
- “Value” stocks have recently reversed a multi-year trend of underperformance versus growth stocks. More specifically, a dramatic reversal in the fortunes of Energy and Financial sector stocks, notably weak sectors in 2020, have propelled the rally of the value indexes.
- Bond investors enjoyed unexpected capital appreciation last year as market interest rates fell substantially in a flight to safety. 2021 has been a different story to date as the 10-year Treasury yield, a key reference rate for the bond market, closed the quarter near 1.75% after starting the year below 1%. Bond prices move inversely to the movement in rates and the broad bond market’s decline of over 3% is among the worst quarterly results on record.

News & Notes

- Vaccines from Moderna, Pfizer and Johnson & Johnson have put the U.S. in an enviable position relative to most of the globe while complications from a vaccine candidate from AstraZeneca have stymied vaccination efforts in Europe, contributing to renewed lockdowns in France and the associated economic pain.
- U.S. diplomatic tensions with China, Russia and North Korea and continued unrest in the Middle East present geopolitical challenges that may impact investment markets. The upcoming Summer Olympic Games scheduled for July in Japan followed by the Winter Olympics in Beijing next February may serve as interesting forums for some of these issues.
- While millions of Americans remain unemployed as a consequence of the pandemic, a recent surge in re-hiring along with record job openings and optimistic projections for continued progress on the vaccination front signal a greatly improved U.S. economic picture following the short but severe pandemic-induced recession in 2020.



Where Families Invest



About Us

Triangle Wealth Management is a privately owned investment advisory firm that specializes in assisting families with developing a realistic strategic plan to provide the best opportunity for achieving their long-term financial goals as prudently as possible.

We provide clients structure, clarity, confidence and reassurance as they move toward the next phase of life.

Our clients value our honesty, integrity, transparency and genuine concern for their well-being.

We are in business to serve our clients.

For a digital version of “Market News” update, please visit TriangleWealth.com/news-resources/

Retirement Success

Whether you are on the verge of retirement or are already retired, your TWM Team is here to ensure that you are financially confident and prepared for any new adventure the future may hold. Utilizing our planning process, we will help you to assess:

- **If you are taking more risk with your investment strategy than necessary.**

For most people, the growth-oriented strategies that helped build your nest eggs should probably be tempered in retirement. As you move closer to and into retirement, market volatility can be much more disruptive.

At Triangle, we use our planning tools to determine what is the optimal mix of stocks, bonds, and cash that provides just the right level of risk to help you meet your financial needs over your lifetime. We monitor your progress and re-evaluate as needed to keep you on track.

- **When to begin taking Social Security.** Full retirement is the age when you can start receiving your full retirement benefit. Full retirement age is 66 for those born from 1943 to 1954. It gradually increases for those born from 1955 to 1960. For anyone born in 1960 or later, full retirement age is 67. You can get Social Security retirement benefits as early as 62, however, your benefit will be reduced as much as 25%. When you delay benefits beyond your full retirement age, the amount of your retirement benefit will continue to increase up to a maximum benefit at age 70. There is no incentive to delay claiming after age 70.

- **Implementing a distribution strategy.** Many of us have our retirement savings in a traditional IRA or 401k where distributions will be taxed at your marginal tax rate. If you also have savings in an individual investment account, you may decide to utilize those funds and delay distributions from your IRA until required distributions begin at age 72. Many choose to take some withdrawals prior to 72 as a way to reduce future required distributions and the potential tax implications of large withdrawals when they become mandatory. We can work with you and your tax advisor to customize a distribution strategy to your specific needs.

- **Spending too much or spending too little.** During retirement, your lifestyle will change. You will have the opportunity to enjoy new experiences and on your terms. We work with you to create a financial roadmap based upon your hopes, dream and wishes for the future and illustrate the impacts that your spending decisions may have on your financial security. Every family’s plan is unique and changes over time. Whether it is buying a second home, moving across country or to a continuing care retirement community, we can help you make informed decisions.

- **Watch out for medical expenses.** You have Medicare and you probably have a supplemental policy. But deductibles and health expenses that are not covered by insurance are always a challenge. Long term care expenses are a good example of those not covered by Medicare. We can help you plan by incorporating potential expenses that may occur as you get older.

- **Consider longevity.** Some people will live well into their 80s and 90s, and its not unusual these days to live past the age of 100. Continuing to plan as if you will be tapping into your savings and investment accounts long after you have retired is important and its our honor to assist you with these considerations.

