JGC Wealth Management, LLC

Fee-Only Financial Planning and Asset Management

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First Quarter Update & Annual Disclosure Offering
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The overall positive first quarter numbers – below and in most of your performance reports - certainly do not reflect the wild ride we experienced! As you'll vividly remember, the market got off to a bad start from the first trading day of 2016 and worked its way steadily downhill until February 11th, when US stocks bottomed over 11% below where they started (Russell 3000 Total Return Index; source: quotes.wsj.com). Other markets fell even harder - US small stock and some international stock indexes fell by 15% or more. Then, seemingly out of the blue, good economic news propelled the markets back up. By the end of the quarter US stocks were up by around 1%. We find this chart helpful to view the bumpy first quarter through longer term lenses.

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1Q 2016	**STOCKS**				**BONDS**	
	0.97%	**-1.95%**	**5.71%**	**6.94%**	**3.03%**	**4.16%**
Since Jan. 2001						
Avg. Quarterly Return	1.7%	1.3%	2.9%	2.9%	1.3%	1.2%
Best Quarter	16.8% **Q2 2009**	25.9% **Q2 2009**	34.7% **Q2 2009**	32.3% **Q3 2009**	4.6% **Q3 2001**	5.5% **Q4 2008**
Worst Quarter	-22.8% **Q4 2008**	-21.2% **Q4 2008**	-27.6% **Q4 2008**	-36.1% **Q4 2008**	-2.4% **Q2 2004**	-3.2% **Q2 2015**

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index), US Bond Market (Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citigroup WGBI ex USA 1−30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995–2016, all rights reserved. MSCI data © MSCI 2016, all rights reserved. Barclays data provided by Barclays Bank PLC. Citigroup bond indices © 2016 by Citigroup.

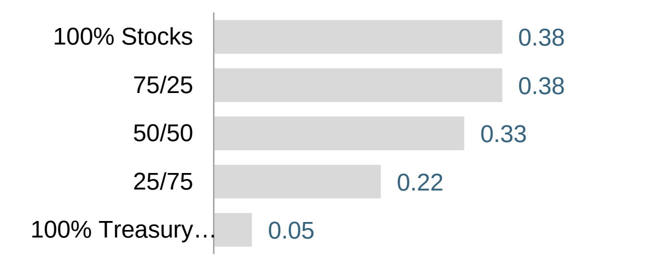
Unlike last quarter, emerging markets outperformed developed markets. Developed market real estate recorded the highest returns. The value effect was positive and large companies outperformed in the US and emerging markets, but the opposite occurred in international developed markets. Generally lower interest rates fueled strong results in US and foreign bonds.

Were you following stock market headlines daily in January and February? Were you looking at the steady decline in your account balances? If so, you undoubtedly felt bad, even scared. While understandable, we find this habit counterproductive. The drumbeat of negative news headlines coupled with the feeling of losing money fast can lead some investors to make the "big mistake": selling out to avoid the further losses that seem certain to come. We feel bad for investors who did that in February, since almost as quickly as the decline occurred it was over. Sellers in February locked in losses; patient investors who waited a mere five weeks found themselves made whole. The market's up and down cycles rarely occur this quickly or neatly, but they have typically followed this pattern: periodic declines followed by full recoveries and new profits. During a downturn, pessimists tend to think that the trend down will continue and see little hope of an upturn. Each day the market falls seems to confirm this. Fortunately, as we saw again in February, daily declines tell us nothing about the future. It's just as likely that the trend will reverse and markets will improve. The first quarter strongly reinforced and reminded us that:

- The market's day-to-day movements tell us nothing useful about its future moves.
- It isn't worth getting worked up about portfolio performance during temporary downturns.
- What goes down can also go up.
- Solid cash reserves are wise and allow investors to more comfortably weather volatility.

Similar to prior quarters, these charts illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification.

1st Quarter 2016 Ranked Returns (%)

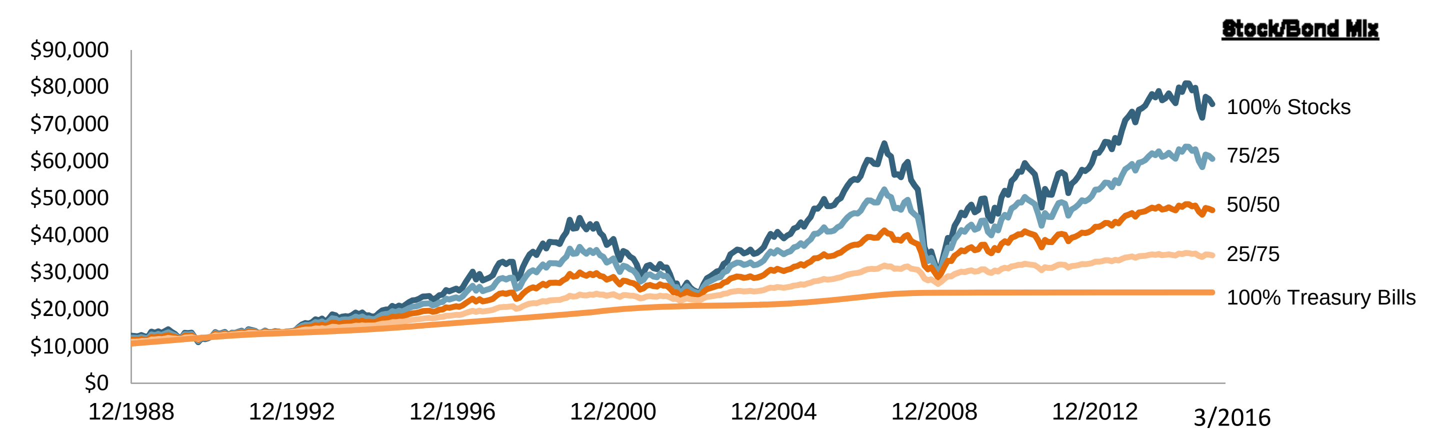


Period Returns (%)

** Annualized*

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
100% Stocks	0.38	-3.81	6.10	5.80	4.63
75/25	0.38	-2.64	4.69	4.51	4.01
50/50	0.33	-1.61	3.20	3.12	3.20
25/75	0.22	-0.71	1.65	1.62	2.20
100% Treasury Bills	0.05	0.06	0.03	0.04	1.03

Growth of Wealth: The Relationship between Risk and Return



Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2015, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield).

Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time. While this illustration is helpful to compare risk and return of various mixes, note that the indexes utilized are not nearly as broadly allocated as our portfolios, especially when it comes to fixed income, emerging market stocks, and small company stocks, which is why the returns do not track identically to our portfolios.

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In order to have the best possible long term investment experience, we suggest ignoring the day-to-day moves in your portfolio. Keep focused on the long-term, secure in the knowledge that a diversified portfolio will rise over time, even though there will be bumps along the way. When the bumps are big enough, we will rebalance your portfolio to take advantage of depressed prices. This process has worked well as some of the worst performers of the last year rebounded to be the best in the first quarter of 2016.

Free Throws – Article by Dave Butler

Dimensional's Dave Butler offers a sports example to help investors like us apply discipline in the midst of stressful markets.

"What do you regard as the most difficult period in the financial markets during your 25 years in the investment business?" I am often asked this question, usually by people who already have a framework and opinion as a result of living through one or several market downturns. For example, many older advisors and their clients regard the 1973–1974 bear market as the toughest period in their investment lifetime. Middle-aged investors may consider the tech boom and bust of the late 1990s and early 2000s to be the bellwether event for a generation of investors who assumed they could get rich on one great stock pick. Today, just about everyone remembers the 2008–2009 global financial crisis, having experienced the anxiety of declining investment accounts themselves or knowing someone who did.

The market decline in early 2016 has much of the same feel as past events. Times like these are never easy for clients or advisors, who must confront their concern that "things just might be different this time." When in the midst of a market decline, it is natural to sense that the volatility is lasting longer and is worse than anything before. As a result, advisors spend a lot of time talking to their clients in an effort to alleviate elevated concerns and fears.

How do we find the words that might help minimize the fear and anxiety advisors' clients feel about their investment portfolios and retirement security? As you know, no single word or story can ease their concerns—and certainly not overnight. The more effective course may be for advisors to steadily lead clients down a path from worry to calm through a conversational approach that emphasizes the importance of sticking with their plan.

Linking Process to Discipline

I had the opportunity a few weeks ago to speak at an advisor's client event in California. As I was driving to the event, I thought about how to make the presentation conversational and ensure the concepts of process and discipline resonate with the audience.

The audience was a sports-oriented crowd, and I had about 15 minutes to get across one important concept that might help them navigate the choppy markets. Then I remembered an article I read about world-class athletes and their approach to success. The author described how the greatest athletes, from Olympians to all-star professionals, focus on process rather than outcome when competing at the highest level. I thought about this in context of my own college athletic experience, which, although not at the Olympic level, involved the same need for calm and focus during high-pressure moments in a basketball game.

Imagine yourself playing in a championship basketball game. Your team is trailing by one point. You are fouled just as the game clock goes to zero. You have two free throws. Make both and you win. Miss them and you lose.

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What do you do to contain the pressure and focus on the task? The great athletes look to process. While each process may be different, each one reflects a personal routine a player has performed thousands of times in practice. For instance, you start your routine as you approach the free throw line; you take a deep breath and imagine the ball going through the hoop; you step to the line and find the exact spot (usually a nail right behind the painted line) where your right foot will anchor; you look at the back (or front) of the rim and notice the paint peeling or the net missing a connecting loop—or anything else to help you concentrate and calm your mind; and you take the ball from the referee and continue your routine. You dribble twice and flip the ball in the air, take a couple of knee bends, find the grooves on the ball, and spread your fingers across it. You feel the texture of the ball, the rough orange leather and the smooth black rubber on the grooves, and finally time the motion so that your body, the release of the ball, and the follow-through of your hand are all in perfect synch as the ball elevates and descends to the basket.

The effective athlete does not hope for an outcome or get nervous or scared as the moment approaches. He or she immediately falls back on the tried and tested routine performed countless times in a more serene environment (practice). Following the routine dulls the noise of the crowd and brings clarity of mind.

The same lessons apply to the seasoned investor. A chaotic market is akin to what the visiting team experiences in a gym, where opposing fans and players are doing everything possible to distract you. You stay focused on a routine burned into your nature through coaching and repetitive practice.

The components of the seasoned investor's routine are similar: the investment policy statement, the regular review of family goals and liquidity needs, and regular advisor communications during good and bad markets. These and other actions are all part of the process developed to summon that muscle memory needed in stressful times. Just as the great athlete navigates through the moments of pressure in any athletic event, the actions are part of the routine that allows the individual to navigate through a chaotic market like we have today.

I believe there are many stories and anecdotes that parallel the basic needs of an investor. Examples include great violinists, world-class chefs, or even gardeners. In each case, there is a story of discipline behind the person who continually works to perfect the craft and a reminder of how a successful investor can do the same. Statistics and data are the bedrock for the insights we gain about the capital markets, but it is often the conversational story that can help clients of advisors focus on the simplest and most important tenets of investment success. Regardless of the market or time period, it is wise to maintain the discipline needed to follow a process, which can lead to a great investment experience.

Adapted from "Free Throws," Advisor Community, February 2016. Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission. All expressions of opinion are subject to change. This information is intended for educational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services.

***"Get It Together* Blog Journey"**

As we have shared with many of you, we are excited to launch our approximately 2-year "blog journey" based on Melanie Cullen's outstanding book *Get It Together*. Read the first blog post, which includes a nice welcome letter from the author herself, here: jgcwealth.com/get-it-together-welcome. Let us know if you're interested in joining this important journey and don't already have your copy of the book. Clients who entrust us to manage $100,000 or more receive a complimentary copy, while we can provide copies to all others for $15, our cost.

Annual Disclosure Offering

As a registered investment adviser, we are required to provide you an annual notice regarding administrative matters. Our Form ADV Part 2 has been updated as part of our annual update amendment. Material changes since the previous annual update include:

- JGC Wealth Management has begun registration with California.
- Item 4b: Added a disclosure regarding conflicts of interest per California Code of Regulations 260.238.
- Item 4e: Assets Under Management has been updated.
- Item 4/5: Added language pursuant to the hiring of third party managers and retirement plan consulting.
- Item 10: We have clarified our diligence process in selecting sub-advisors.
- Item 11: Added additional language per California Code of Regulations, Title 10 Section 260.238.
- Item 11: Broke out sub section b, c and d in order to clarify our activities and processes.
- Item 12: Added items 1, 2, 3 to specifically address aspects of brokerage practices.
- Item 19 and Supplemental Brochures: We have moved each manager and officer into a separate supplemental brochure following Item 19.
- Item 19: John La'Gere is no longer an advisor for the firm.

You may request an updated ADV Part 2 brochure by calling (503) 304-9248, emailing info@jgcwealth.com, or sending a request by mail to 3085 River Road N., Salem, OR 97303. You will find a copy of our privacy policy on the next page. Both of these items, as well as the Form ADV Part 2 brochures from the third party asset management firms and subadvisor we work with, can be downloaded from this page on our website: jgcwealth.com/resources.

Material Changes - Wealth Management, LLC

Here are the "Item 2 - Material Changes" from Wealth Management, LLC, the primary third party asset management firm we work with:

This item discusses specific material changes that are made to the Disclosure Brochure for Wealth Management LLC and provides a summary of such material changes since the last annual update dated March 2015. This Disclosure Brochure for Wealth Management LLC is amended for changes being made to Item 4 of the brochure. This amended Brochure is dated March 2016. Item 4 of this brochure as been amended to report the amounts of clients assets managed by Wealth Management LLC as of December 31, 2015.

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Thank you for your business. Please let us know how we can be of further assistance to you. Enjoy this beautiful spring season!

JGC Wealth Management, LLC
Notice of Privacy Practices

JGC Wealth Management, LLC, an investment advisory firm, is committed to safeguarding the confidential information of its clients. We do collect nonpublic personal information in order to open and administer your accounts with us and to provide you with accurate and pertinent advice. We hold all nonpublic personal information you provide to us in the strictest confidence. If we were to change our firm policy, we would be prohibited under the law from doing so without advising you first.

You may direct us not to make disclosures (other than disclosures required by law) regarding nonpublic personal information to nonaffiliated third parties. If you wish to opt out of disclosures to non-affiliated third parties please contact us at 503.304.9248.

JGC Wealth Management, LLC collects personal information about you from the following sources:

- Applications or other forms
- Discussions with nonaffiliated third parties
- Information about your transactions with us or others
- Questionnaires
- Tax Returns
- Estate Planning Documents

JGC Wealth Management, LLC uses your personal information in the following manner:

- We do not sell your personal information to anyone.

- We limit employee and agent access to information to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer.)

- We will provide notice of changes in our information sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so you will have the opportunity to opt out of such disclosure.

- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.

- For nonaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.

- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.

- Personally identifiable information about you will be maintained during the time you are a client, and for the time thereafter that such records are required to be maintained by federal and state securities laws. After this required period of record retention, all such information will be destroyed.

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