



JGC Wealth Management, LLC

Fee-Only Financial Planning and Asset Management

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First Quarter Update March 31, 2023

THE QUARTER IN REVIEW

The “I’s” had it across the first quarter, as **inflation** and **interest rates** continued to dominate popular financial headlines. That is, at least, until the Silicon Valley Bank meltdown took over, followed by the government’s swift reaction to the same. What should you make of the quarterly news? If you had missed these events in real time, you may not even have known they had happened. At quarter-end, inflation continued to simmer on the back burner, as it has for some time. For the ninth time in a row, the Fed raised interest rates, most recently by a quarter point. Once again, many markets ended the quarter up, with big tech stocks leading the way. And to date, widespread bank runs have not materialized.

HOW TO MOVE FORWARD

This suggests, as usual, your best bet is to lead with two different kinds of “I’s.”

Investment Stamina (keeping a disciplined approach despite your fears)

A recent Vanguard Expert Perspective described how breaking news otherwise tempts us to react as if we’re being chased by a grizzly bear:

“[Y]our body and attention is 100% focused on the next second or maybe 30 seconds, but certainly not your plans for 10 years from now! Understanding that anxiety, fear, and pain shorten decision horizons not only increases the motivation to better curate your news feeds and turn off ‘junk news,’ but it also increases your awareness to hit pause when considering significant decisions.”

Put another way, across bear and bull markets alike, having a long-term investment outlook as our front-and-center guide better positions us to make thoughtful decisions amidst shifting news.

Individual Pursuits (investing is meant to help you achieve your desired lifestyle, not an end to itself)

When should you buy, sell, or hold particular positions? When is it time to reduce your exposure to market risks, or increase your ability to seize hoped-for rewards? Why are you investing to begin with? In large part, the answers are found in another “I,” your **individual goals**. With proper planning, your portfolio is a tool that can provide you with the resources to support your desired lifestyle.

RATES OF RETURN ON CASH

For the past several years, we have let our cash deposits sit in bank savings and checking accounts and earn interest rates near zero (or not earn any interest at all). With inflation rates being relatively tame, we didn't notice a significant loss in our purchasing power. Over the last 2 years, that situation has changed – inflation has increased while bank deposits continue to pay relatively low rates.

As an alternative we are currently recommending for some clients is a short-term treasury money market fund. With a current yield over 4%, it is much closer to keeping pace for inflation on funds that you expect to use in the next 1-3 years. Please contact us for more details to determine if this is appropriate for your situation.

MAKE YOUR 2023 TAX MOVES EARLY

With April 18th now in the rear-view mirror, nearly all the options for changing your 2022 tax picture have expired. However, there is still plenty of time to make investment choices that will help you prepare for next year. Here are a few of our perennial favorites that we would be more than happy to discuss with you and implement, if appropriate:

- **Qualified Charitable Distribution** – If you are over the age of 70 ½, you can send money from your traditional IRA to your favorite charity, church, or other 501(c)3 organization. This can create a better tax benefit than taking the distribution and writing a check yourself
- **Donation of stock to charity** – Investments not held in IRAs are also suitable for enhancing the tax benefit of giving at any age. Your chosen organization will need to be able to accept the stock or mutual fund donation into a brokerage account, but by transferring it to them you avoid selling at a gain and still get a deduction for the value on the day you donate it.
- **IRA contributions – regular, Roth, or “backdoor Roth”**. Although you can wait until April 15th, 2024, why wait? If you have earned income this year, you can make a contribution of up to \$6,500 (\$7,500 if you are over 50). Or perhaps you have a young person in your life that is has just started to work, you can incentivize them with a “match” into a Roth IRA that will kickstart their retirement plan.
- **Stock donation for a 90% Oregon income tax credit** In some situations, we recommend a stock donation to an organization that can issue a certificate to reduce your income tax substantially.

Annual Disclosure Offering

As a registered investment advisor, we are required to provide you an annual notice regarding administrative matters. Our Form ADV Part 2 underwent the last annual update on February 23, 2023.







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 2035 Madrona Ave SE Ste 100, Salem, OR 97302. Our privacy policy and updated ADV Part 2, as well as the Form ADV Part 2 brochures from the third-party asset management and subadvisor firms we work with, can be downloaded from this page on our website: jgcwealth.com/resources.

Summary of Material Changes:

1. Item 5 was updated to provide additional disclosures pertaining to rollover recommendations and our fiduciary obligations.

Quarterly Market Summary



















Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2023	STOCKS				BONDS	
	7.18%	8.02%	3.96%	1.37%	2.96%	2.86%
						
Since Jan. 2001						
Average Quarterly Return	2.2%	1.5%	2.5%	2.2%	0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%	4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3	2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-5.9%	-4.1%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4	2022 Q1	2022 Q1

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 dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

Long-Term Market Summary

Index returns as of March 31, 2023

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	-8.58%	-2.74%	-10.70%	-20.29%	-4.78%	-3.27%
						
5 Years						
	10.45%	3.80%	-0.91%	2.41%	0.91%	0.90%
						
10 Years						
	11.73%	4.91%	2.00%	3.26%	1.36%	2.28%
						

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 dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

Quarterly Reports

Enclosed are the reports on your portfolio for the quarter ending March 31, 2023. If you want to discuss your portfolio, have had changes in your financial situation, or have any other financial concerns or questions, please call us.

The information presented is provided in good faith without any warranty and is intended for the recipient's background information only. It does not constitute investment advice, recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. Before taking any action, we recommend that you seek professional advice from subject matter experts who can assist you with your specific situation and needs.

WM PREFERRED MANAGED PORTFOLIOS

More Aggressive

More Conservative

	OBJECTIVE	ALLOCATION	PORTFOLIO EXPENSES ¹	PORTFOLIO GROSS PERFORMANCE ²																		
Portfolio 100	This portfolio is suitable for someone who wants to take advantage of the long-term potential of the markets and has a risk tolerance to handle the gyrations of the market.	<ul style="list-style-type: none"> U.S. Equity 65% Int'l Equity 30% Real Estate 5% 	0.26%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.59%</td> <td>-4.67%</td> <td>22.32%</td> <td>6.22%</td> <td>8.42%</td> </tr> <tr> <td>Benchmark</td> <td>2.95%</td> <td>-8.65%</td> <td>17.49%</td> <td>5.25%</td> <td>7.45%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.59%	-4.67%	22.32%	6.22%	8.42%	Benchmark	2.95%	-8.65%	17.49%	5.25%	7.45%
	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.																	
Portfolio	3.59%	-4.67%	22.32%	6.22%	8.42%																	
Benchmark	2.95%	-8.65%	17.49%	5.25%	7.45%																	
Portfolio 80	This portfolio is suitable for investors who want to take advantage of the long-term potential of the markets but want to reduce the volatility of the portfolio by mixing in bonds.	<ul style="list-style-type: none"> U.S. Equity 51% Int'l Equity 24% Bonds 20% Real Estate 5% 	0.22%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.27%</td> <td>-4.50%</td> <td>17.16%</td> <td>5.30%</td> <td>7.03%</td> </tr> <tr> <td>Benchmark</td> <td>2.71%</td> <td>-7.88%</td> <td>13.23%</td> <td>4.43%</td> <td>6.21%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.27%	-4.50%	17.16%	5.30%	7.03%	Benchmark	2.71%	-7.88%	13.23%	4.43%	6.21%
	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.																	
Portfolio	3.27%	-4.50%	17.16%	5.30%	7.03%																	
Benchmark	2.71%	-7.88%	13.23%	4.43%	6.21%																	
Portfolio 60	This portfolio is suitable for someone who is nearing retirement or someone who has a moderate risk tolerance.	<ul style="list-style-type: none"> Bonds 40% U.S. Equity 39% Int'l Equity 18% Real Estate 3% 	0.18%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.48%</td> <td>-4.34%</td> <td>12.06%</td> <td>4.53%</td> <td>5.97%</td> </tr> <tr> <td>Benchmark</td> <td>2.98%</td> <td>-7.25%</td> <td>9.19%</td> <td>3.70%</td> <td>5.16%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.48%	-4.34%	12.06%	4.53%	5.97%	Benchmark	2.98%	-7.25%	9.19%	3.70%	5.16%
	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.																	
Portfolio	3.48%	-4.34%	12.06%	4.53%	5.97%																	
Benchmark	2.98%	-7.25%	9.19%	3.70%	5.16%																	
Portfolio 40	This portfolio is suitable for someone who is nearing retirement or someone who has a low risk tolerance.	<ul style="list-style-type: none"> Bonds 60% U.S. Equity 26% Int'l Equity 12% Real Estate 2% 	0.15%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.43%</td> <td>-4.43%</td> <td>7.02%</td> <td>3.38%</td> <td>4.58%</td> </tr> <tr> <td>Benchmark</td> <td>2.97%</td> <td>-6.78%</td> <td>5.06%</td> <td>2.55%</td> <td>3.76%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.43%	-4.43%	7.02%	3.38%	4.58%	Benchmark	2.97%	-6.78%	5.06%	2.55%	3.76%
	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.																	
Portfolio	3.43%	-4.43%	7.02%	3.38%	4.58%																	
Benchmark	2.97%	-6.78%	5.06%	2.55%	3.76%																	
Portfolio 20	This portfolio is suitable for someone who is nearing retirement or someone who has a low risk tolerance.	<ul style="list-style-type: none"> Bonds 80% U.S. Equity 11% Int'l Equity 8% Real Estate 1% 	0.11%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.40%</td> <td>-4.68%</td> <td>2.83%</td> <td>2.47%</td> <td>3.04%</td> </tr> <tr> <td>Benchmark</td> <td>3.01%</td> <td>-6.21%</td> <td>1.75%</td> <td>1.87%</td> <td>2.48%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.40%	-4.68%	2.83%	2.47%	3.04%	Benchmark	3.01%	-6.21%	1.75%	1.87%	2.48%
	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.																	
Portfolio	3.40%	-4.68%	2.83%	2.47%	3.04%																	
Benchmark	3.01%	-6.21%	1.75%	1.87%	2.48%																	
Portfolio Income	This portfolio is suitable for someone who is in retirement or someone who has a very low risk tolerance.	<ul style="list-style-type: none"> Bonds 100% 	0.08%	<table border="1"> <thead> <tr> <th></th> <th>3 Mo.</th> <th>1 Yr.</th> <th>3 Yr.</th> <th>5 Yr.</th> <th>10 Yr.</th> </tr> </thead> <tbody> <tr> <td>Portfolio</td> <td>3.41%</td> <td>-5.10%</td> <td>-1.61%</td> <td>1.30%</td> <td>1.46%</td> </tr> <tr> <td>Benchmark</td> <td>3.07%</td> <td>-5.90%</td> <td>-1.81%</td> <td>0.86%</td> <td>1.08%</td> </tr> </tbody> </table>		3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Portfolio	3.41%	-5.10%	-1.61%	1.30%	1.46%	Benchmark	3.07%	-5.90%	-1.81%	0.86%	1.08%
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Benchmark	3.07%	-5.90%	-1.81%	0.86%	1.08%																	

*Source: Morningstar & fi360 through March 31, 2023

Note: Returns are not net of any management or fiduciary fees. ¹Portfolio Expenses (Net Expense Ratio) as Weighted Average Total

Historical performance is based on an assumption that an investor has owned the exact portfolio in the exact allocation reflected in the snapshot for the previous three months, one-, three-, five- and ten-year periods.