



ZRC WEALTH MANAGEMENT, LLC

SANTA ROSA • WALNUT CREEK • ST. HELENA

ZRC Wealth Management

Fan Fest 2017

- I. Introductions
- II. Game
- III. Market Update & Investment Insights
- IV. Break
- V. Town Hall
- VI. Closing Remarks

I. Introductions

II. Game

III. Market Update & Investment Insights

IV. Break

V. Town Hall

VI. Closing Remarks

I. Introductions

II. Game – Your favorite app.

III. Market Update & Investment Insights

IV. Break

V. Town Hall

VI. Closing Remarks

I. Introductions

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IV. Break

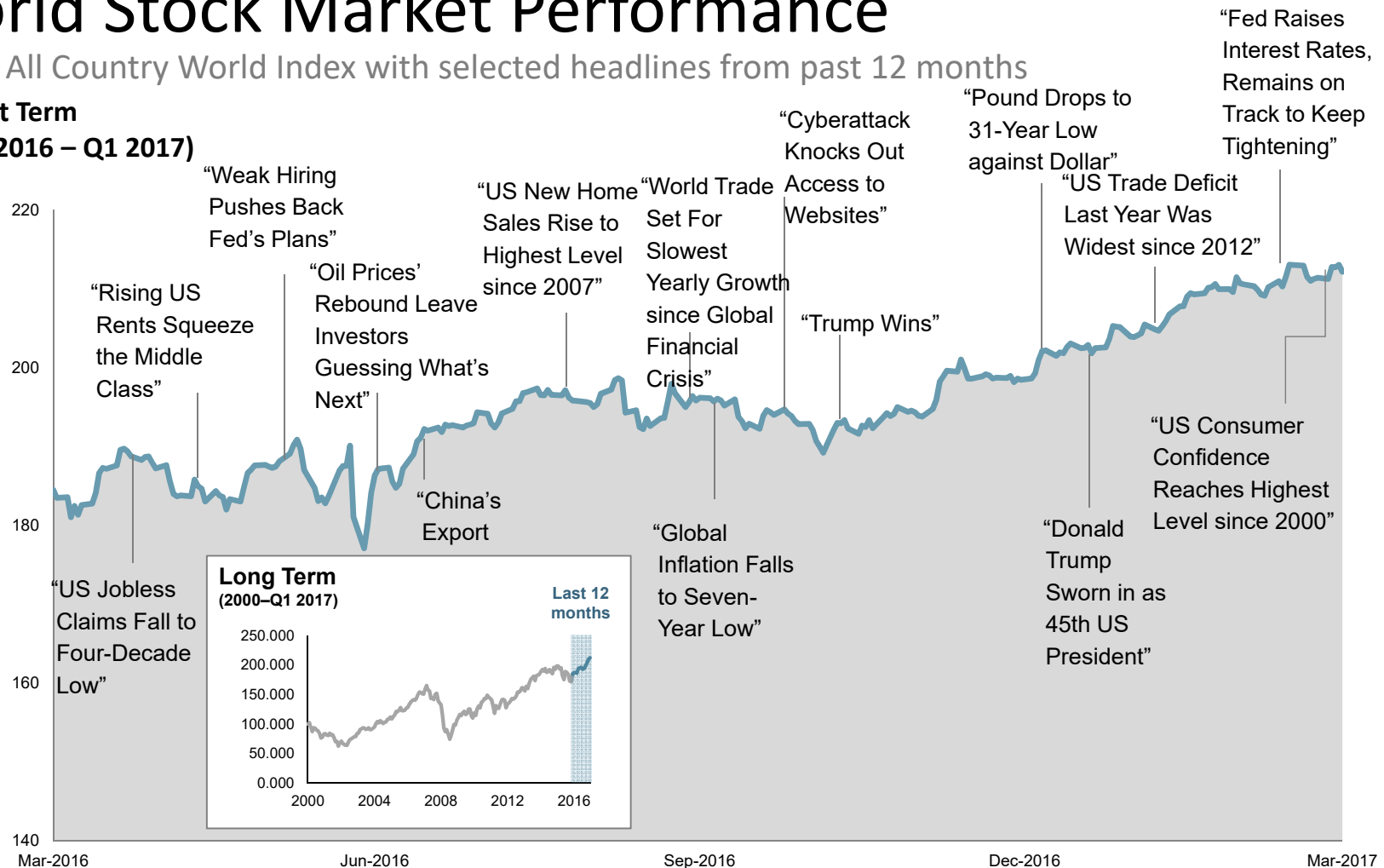
V. Town Hall

VI. Closing Remarks

World Stock Market Performance

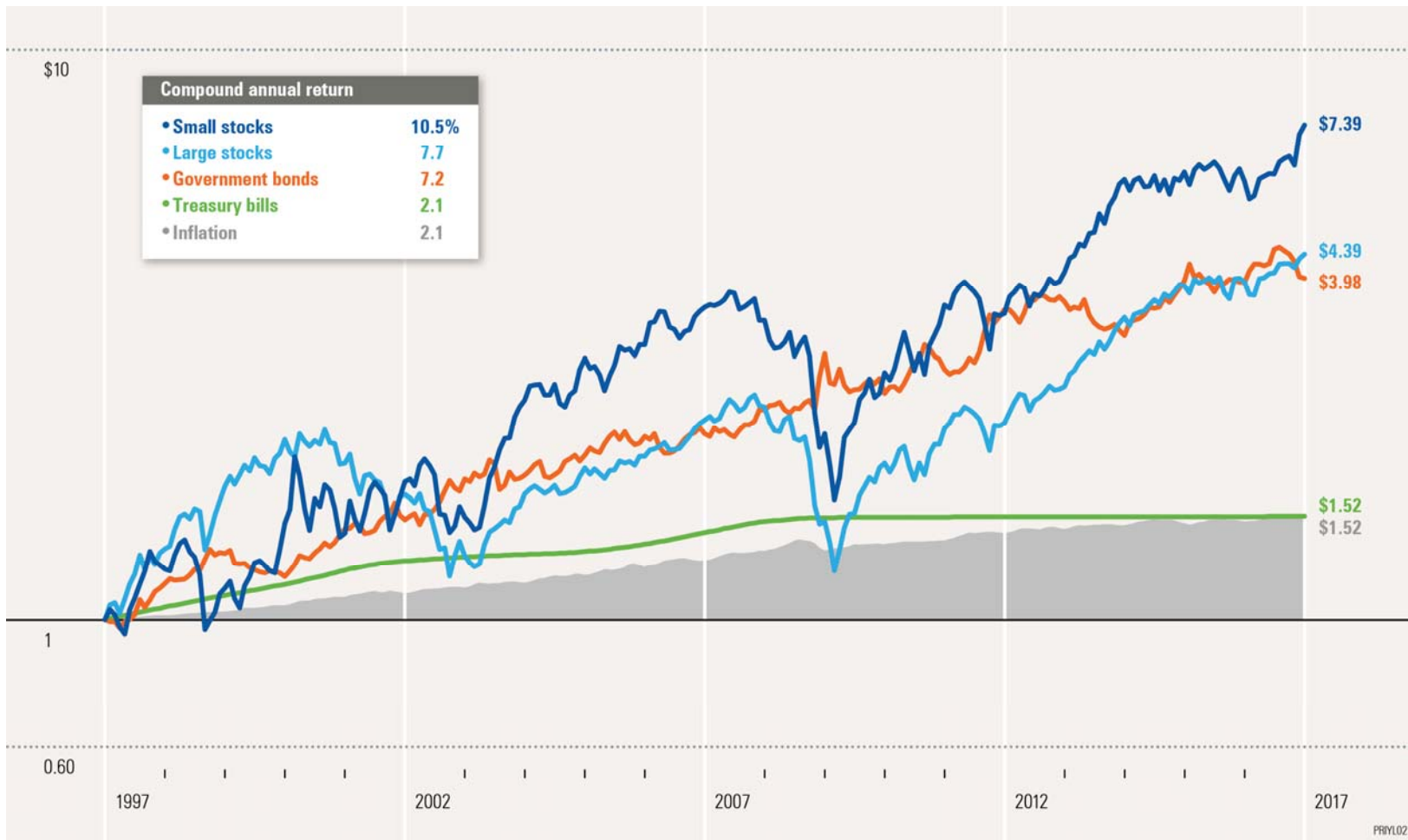
MSCI All Country World Index with selected headlines from past 12 months

Short Term
(Q1 2016 – Q1 2017)



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.
Graph Source: MSCI ACWI Index (net div.). MSCI data © MSCI 2017, all rights reserved.
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

Stocks, Bonds, Bills, and Inflation 1997 – 2016



Past performance is no guarantee of future results. Hypothetical value of \$1 invested at the beginning of 1996. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.

Q1 Headlines

Jan. 25

**Dow Closes Above
20,000 for the First
Time as Trump Orders
Send Stocks Flying**

CNBC

Feb. 21

**US Stocks Are
at All-Time
Highs**

Business Insider

Feb. 22

**10 Reasons to be
Nervous About the
All-Time High
Stock Market**

Yahoo Finance

March 1

**Dow Closes Above
21,000 as Socks Post
Best Day of 2017 After
Trump's Speech**

CNBC

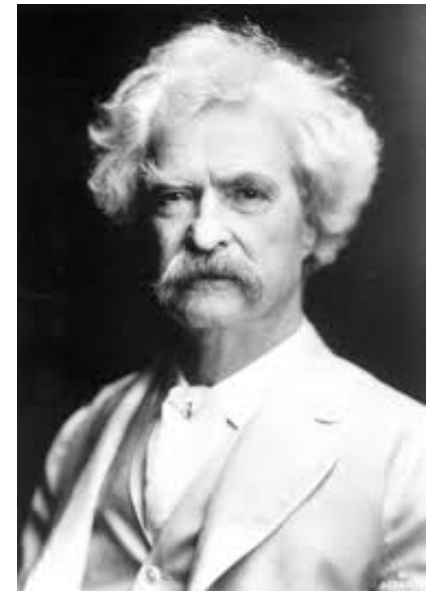
March 21

**Worries About
Stock Valuations
Reach Highest
Since 2001**

Financial Times

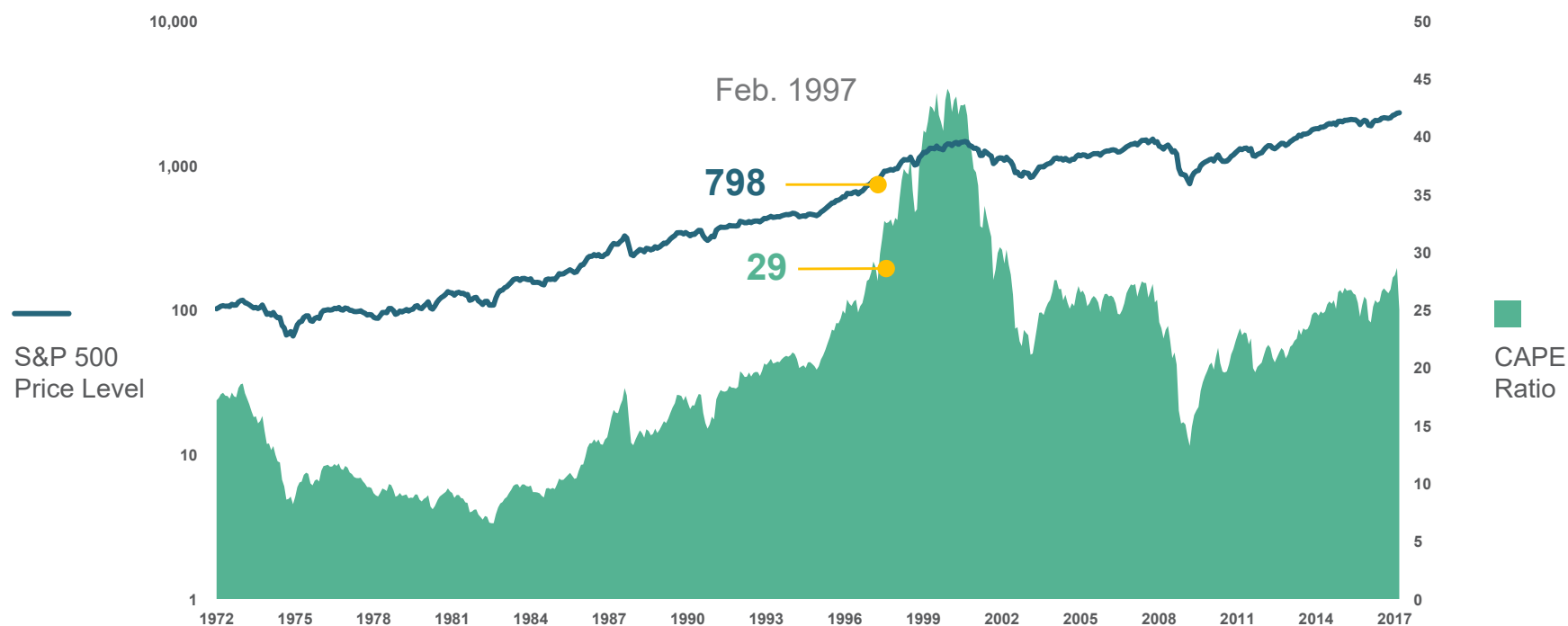
“October: This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February.”

Mark Twain



Valuations

Jan. 1972 – Mar. 2017

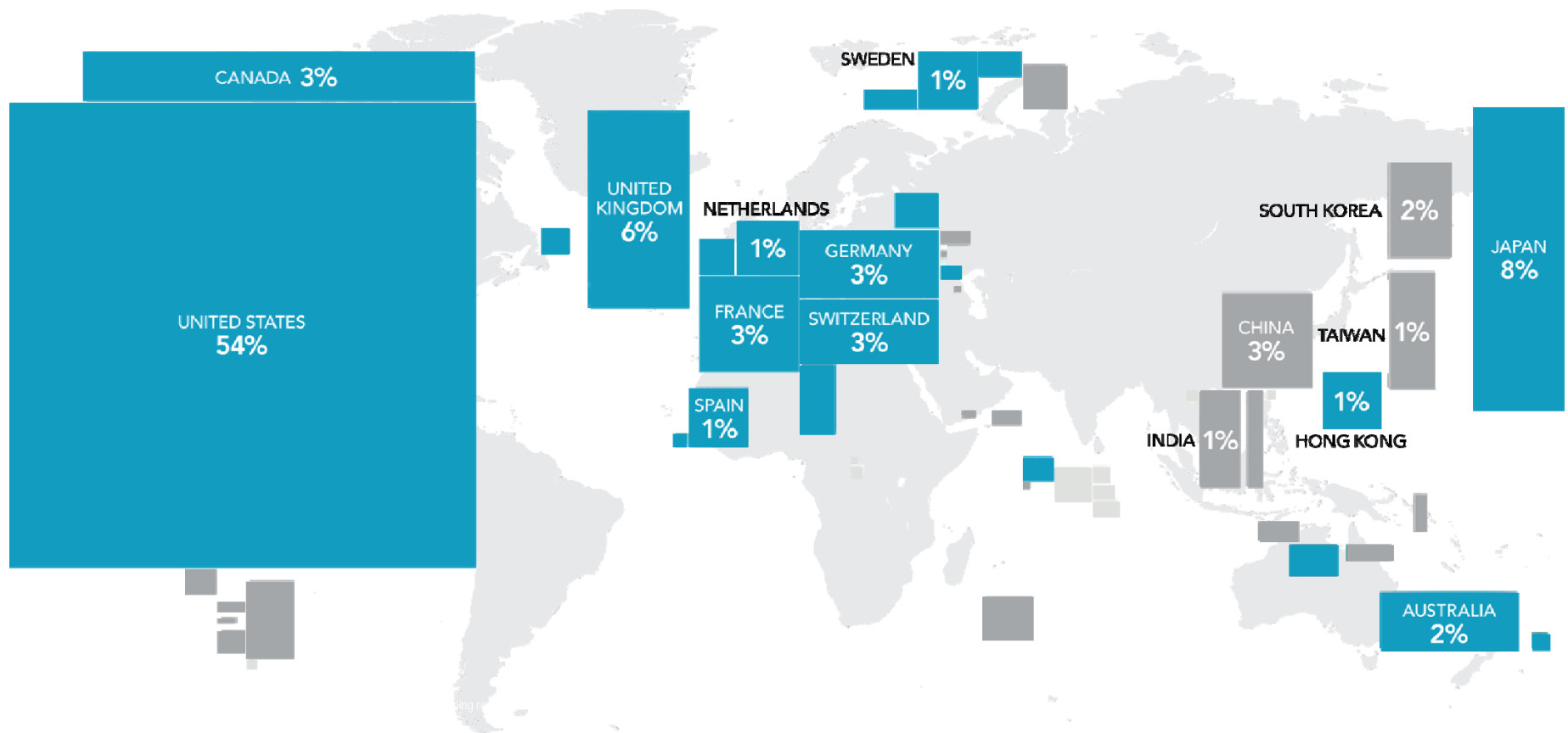


Source: CAPE data from Robert Shiller Online Data library via Yale. CAPE stands for Cyclically Adjusted Price to Earnings ratio- which tracks current S&P 500 price versus average of inflation-adjusted earnings over previous 10 years. S&P 500 data provided by Morningstar Direct, 2017. Indexes are not available for direct investment. Past performance does not guarantee future results

More to the World than U.S. — Market Cap

Percent of World Market Capitalization

As of December 31, 2016



More to the World than U.S. — Market Cap

Select CAPE Ratios

As of December 31, 2016



Equity Returns of Developed Markets

Annual Return (%)

Boxed Return is highest return for the year.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia	-10.4	6.1	17.6	-10.0	1.7	-1.3	49.5	30.3	16.0	30.9	28.3	-50.7	76.4	14.5	-11.0	22.1	4.2	-3.4	-10.0	11.4
Austria	1.6	0.4	-9.1	-12.0	-5.6	16.5	57.0	71.5	24.6	36.5	2.2	-68.4	43.2	9.9	-36.4	25.9	13.4	-29.8	3.5	11.3
Belgium	13.6	67.7	-14.3	-16.8	-10.9	-15.0	35.3	43.5	9.0	36.7	-2.7	-66.5	57.5	-0.4	-10.6	39.6	27.6	4.1	12.1	-7.6
Canada	12.8	-6.1	53.7	5.3	-20.4	-13.2	54.6	22.2	28.3	17.8	29.6	-45.5	56.2	20.5	-12.7	9.1	5.6	1.5	-24.2	24.6
Denmark	34.5	9.0	12.1	3.4	-14.8	-16.0	49.3	30.8	24.5	38.8	25.6	-47.6	36.6	30.7	-16.0	31.3	25.2	6.2	23.4	-15.8
Finland	17.3	121.6	152.6	-14.2	-38.2	-30.3	19.4	6.1	16.7	29.9	48.7	-55.2	11.1	10.3	-31.9	14.6	46.0	-0.7	2.0	-4.7
France	11.9	41.5	29.3	-4.3	-22.4	-21.2	40.2	18.5	9.9	34.5	13.2	-43.3	31.8	-4.1	-16.9	21.3	26.3	-9.9	-0.1	4.9
Germany	24.6	29.4	20.0	-15.6	-22.4	-33.2	63.8	16.2	9.9	36.0	35.2	-45.9	25.2	8.4	-18.1	30.9	31.4	-10.4	-1.9	2.8
Hong Kong	-23.3	-2.9	59.5	-14.7	-18.6	-17.8	38.1	25.0	8.4	30.4	41.2	-51.2	60.2	23.2	-16.0	28.3	11.1	5.1	-0.5	2.3
Ireland	15.8	35.3	-12.6	-12.7	-2.8	-26.2	43.8	43.1	-2.3	46.8	-20.1	-71.9	12.3	-18.1	13.7	5.7	41.2	2.3	16.5	-7.1
Italy	35.5	52.5	-0.3	-1.3	-26.6	-7.3	37.8	32.5	1.9	32.5	6.1	-50.0	26.6	-15.0	-23.2	12.5	20.4	-9.5	2.3	-10.5
Japan	-23.7	5.1	61.5	-28.2	-29.4	-10.3	35.9	15.9	25.5	6.2	-4.2	-29.2	6.3	15.4	-14.3	8.2	27.2	-4.0	9.6	2.4
Netherlands	23.8	23.2	6.9	-4.1	-22.1	-20.8	28.1	12.2	13.9	31.4	20.6	-48.2	42.3	1.7	-12.1	20.6	31.3	-3.5	1.3	4.8
New Zealand	-14.1	-22.6	12.9	-33.5	8.4	24.2	55.4	35.2	1.7	16.6	8.9	-53.8	50.4	8.3	5.5	29.3	11.3	7.3	-6.3	18.4
Norway	6.2	-30.1	31.7	-0.9	-12.2	-7.3	48.1	53.3	24.3	45.1	31.4	-64.2	87.1	10.9	-10.0	18.7	9.4	-22.0	-15.0	13.3
Singapore	-30.0	-12.9	99.4	-27.7	-23.4	-11.0	37.6	22.3	14.4	46.7	28.4	-47.4	74.0	22.1	-17.9	31.0	1.7	3.0	-17.7	1.4
Spain	25.4	49.9	4.8	-15.9	-11.4	-15.3	58.5	28.9	4.4	49.4	24.0	-40.6	43.5	-22.0	-12.3	3.0	31.3	-4.7	-15.6	-1.0
Sweden	12.9	14.0	79.7	-21.3	-27.2	-30.5	64.5	36.3	10.3	43.4	0.6	-49.9	64.2	33.8	-16.0	22.0	24.5	-7.5	-5.0	0.6
Switzerland	44.2	23.5	-7.0	5.9	-21.4	-10.3	34.1	15.0	16.3	27.4	5.3	-30.5	25.3	11.8	-6.8	20.4	26.6	-0.1	0.4	-4.9
UK	22.6	17.8	12.5	-11.5	-14.0	-15.2	32.1	19.6	7.4	30.6	8.4	-48.3	43.3	8.8	-2.6	15.3	20.7	-5.4	-7.6	-0.1
US	33.4	30.1	21.9	-12.8	-12.4	-23.1	28.4	10.1	5.1	14.7	5.4	-37.6	26.3	14.8	1.4	15.3	31.8	12.7	0.7	10.9

In US dollars.

Source: MSCI developed markets country indices (net dividends). MSCI data © MSCI 2017, all rights reserved.

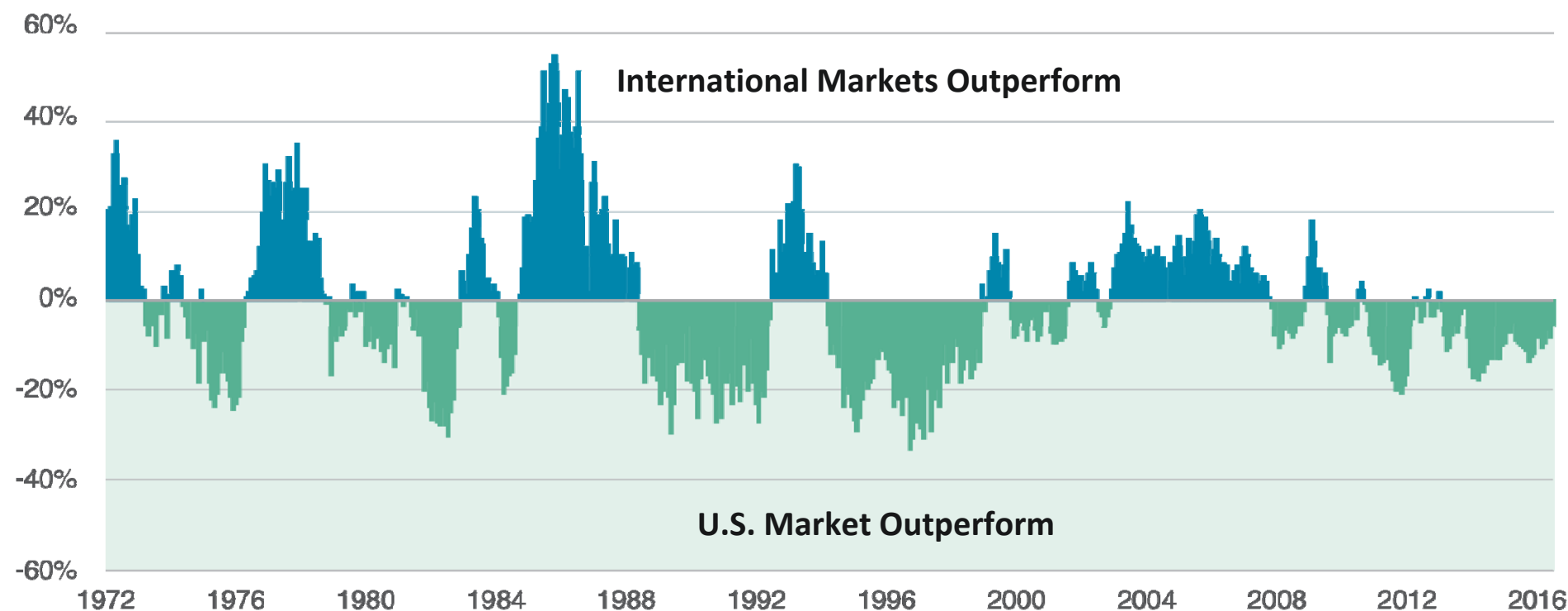
Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.

Past performance is not a guarantee of future results.

International Stocks vs U.S. Stocks

Rolling 12 Month Difference in Performance

Jan. 1972 – Mar. 2017

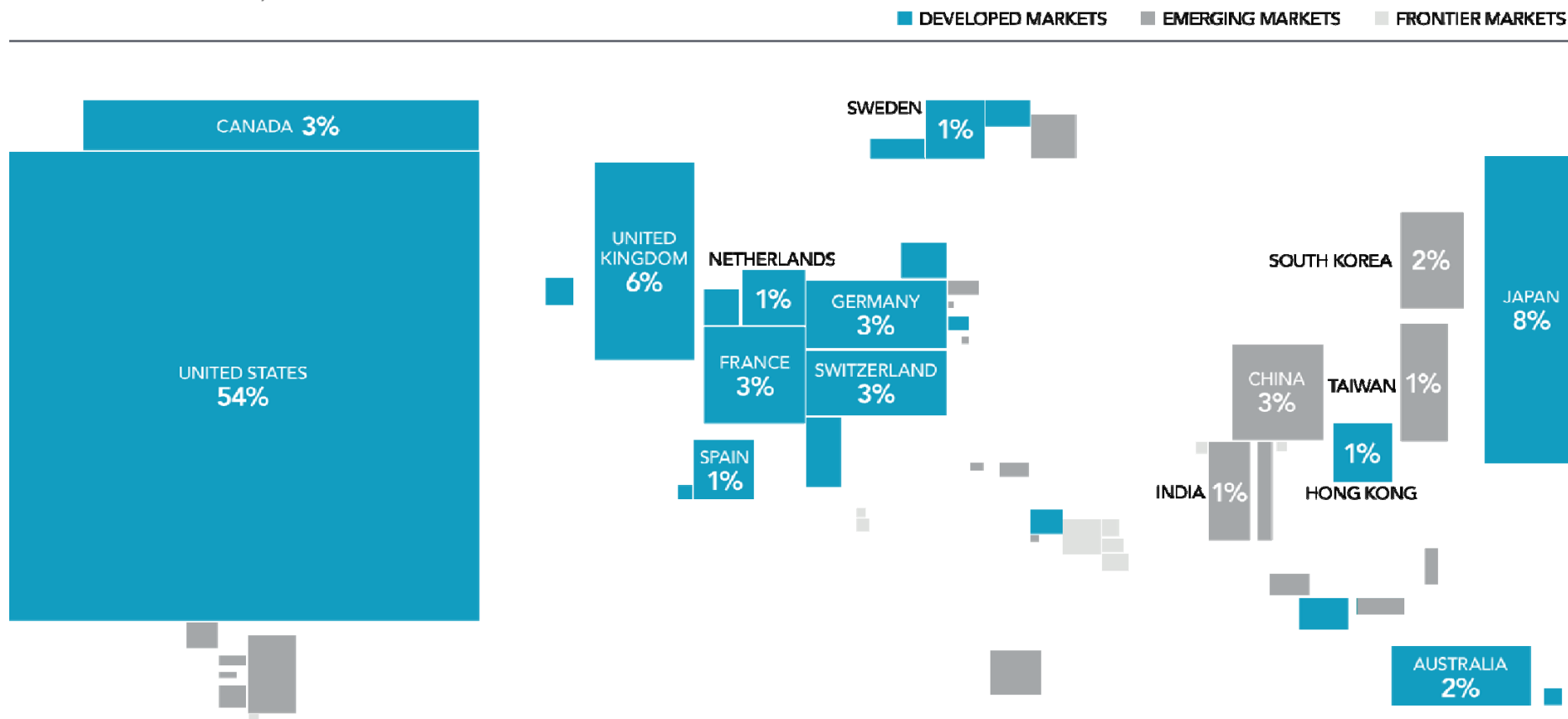


Data Source: Morningstar Direct 2017. US Stocks represented by S&P 500 Index, International Stocks represented by MSCI World ex USA Index (net div.). All investments involve risk, including loss of principal. Foreign and small company securities involve additional risks. Past performance is not indicative of future results.

More to the World than U.S. — Market Cap

Percent of World Market Capitalization

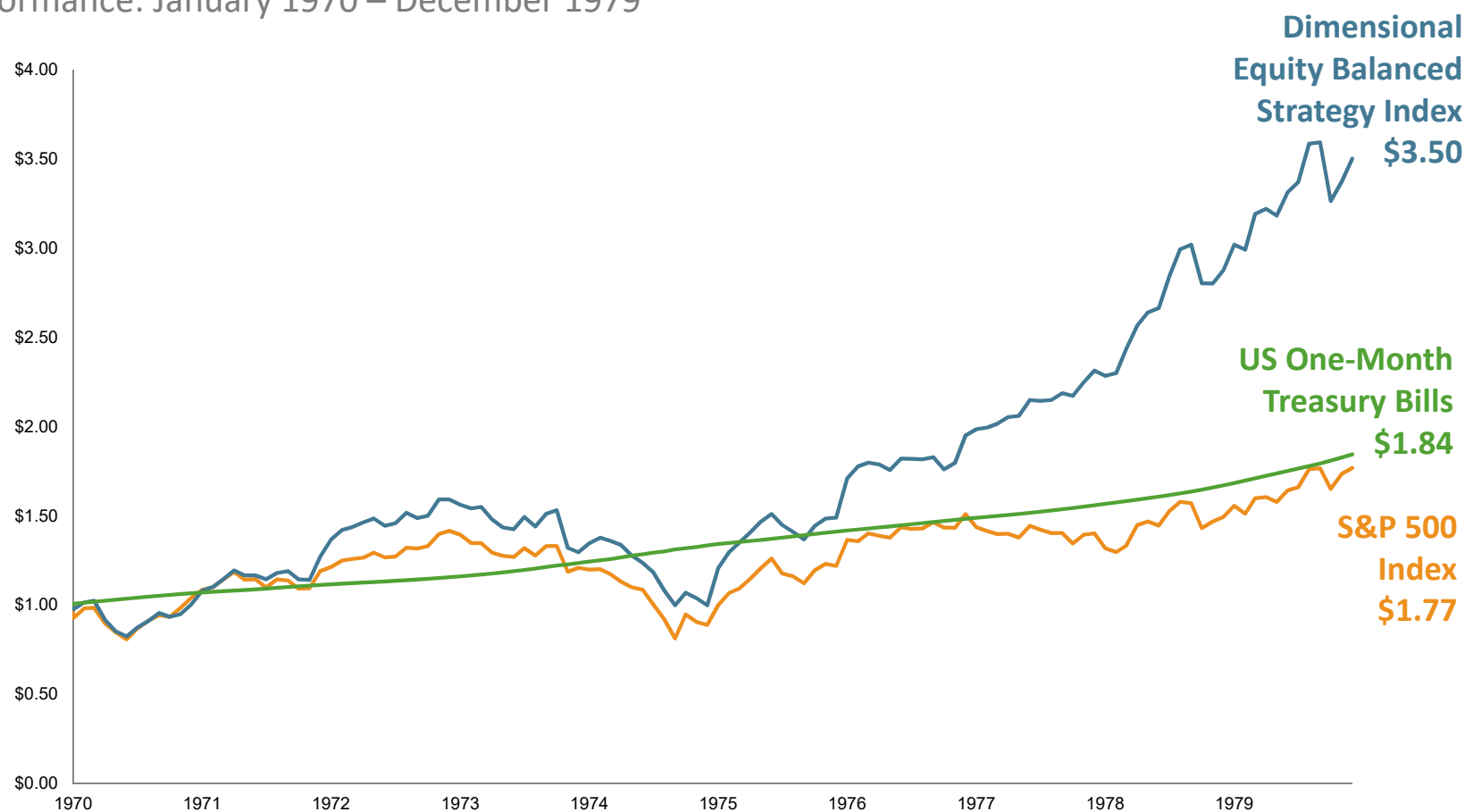
As of December 31, 2016



Data provided by Bloomberg. Market cap data is free-float adjusted and meets minimum liquidity and listing requirements. Many nations not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. China market capitalization excludes A-shares, which are generally only available to mainland China investors.

Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

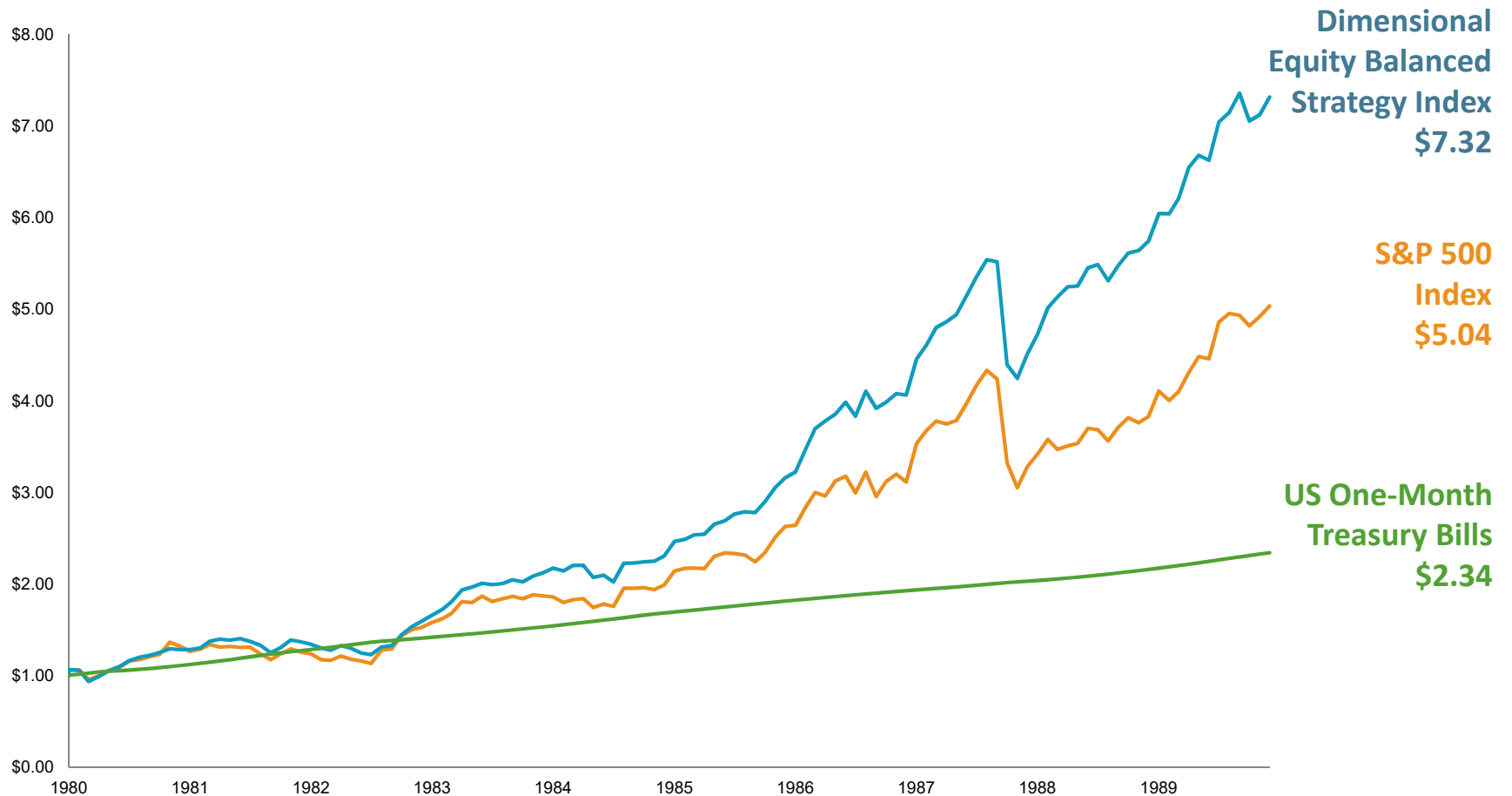
Performance: January 1970 – December 1979



In US dollars. Sources: Dimensional for Dimensional Index data. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

Performance: January 1980 – December 1989

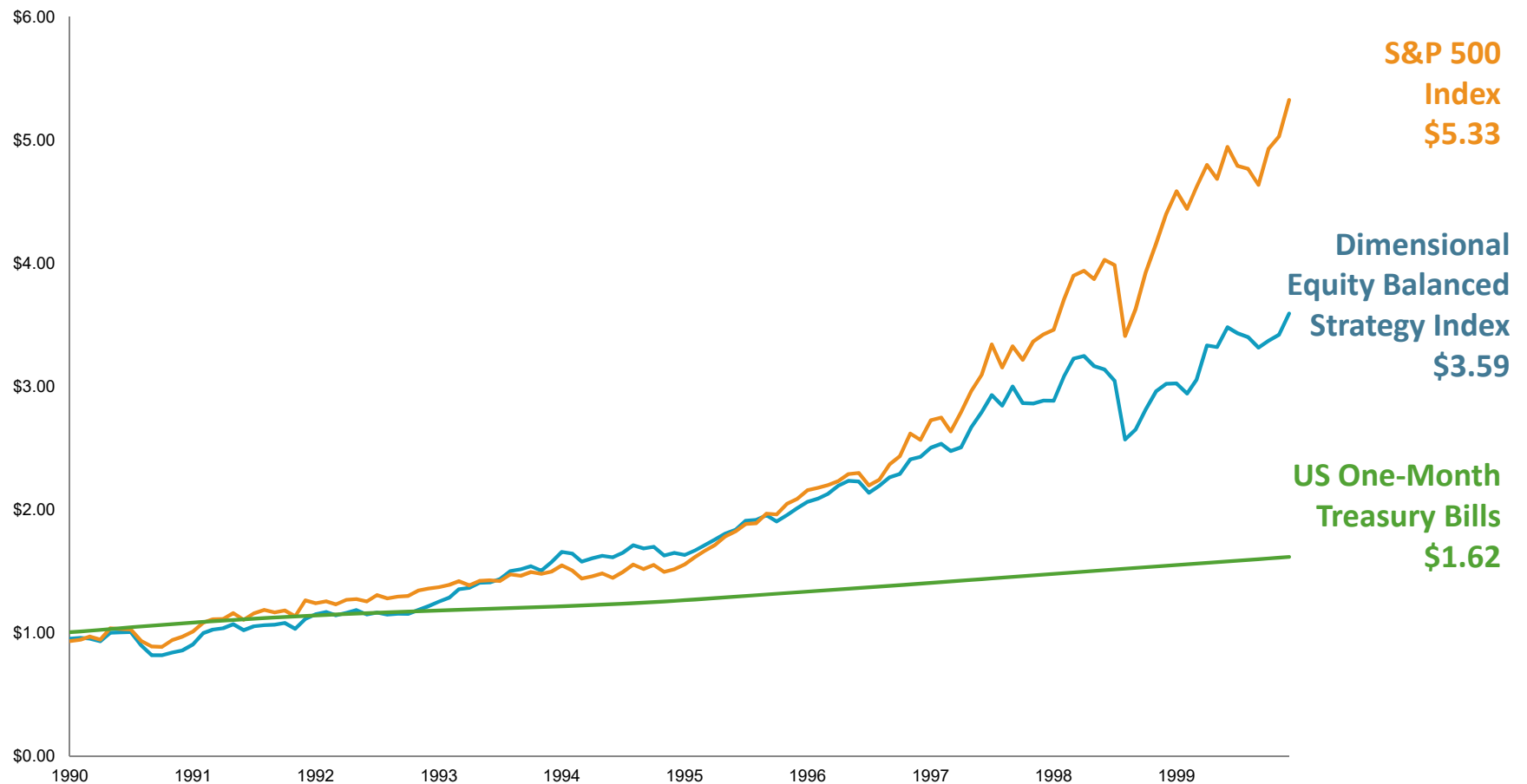


In US dollars. Sources: Dimensional for Dimensional Index data. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

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Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

Performance: January 1990 – December 1999

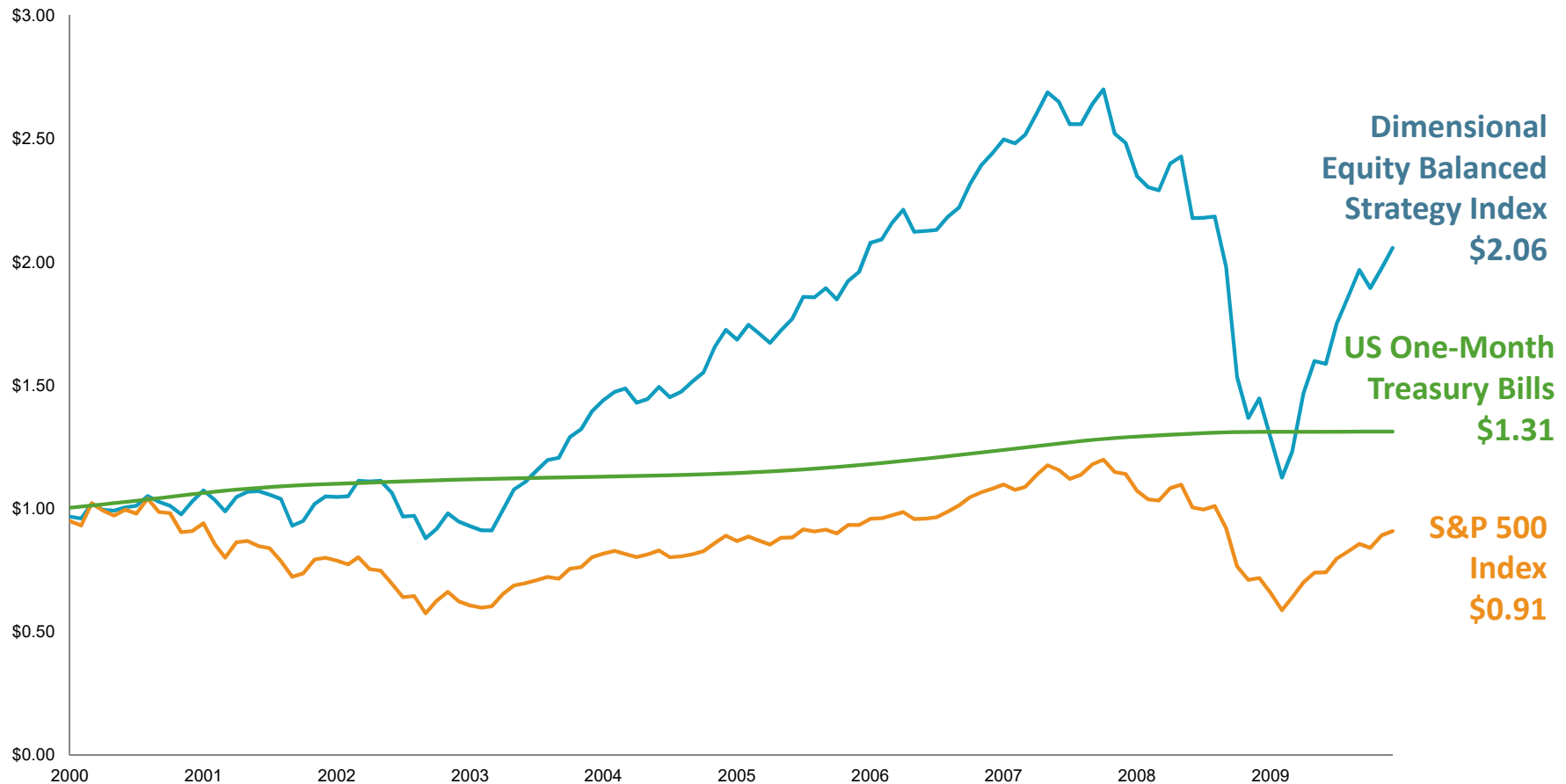


In US dollars. Sources: Dimensional for Dimensional Index data. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

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Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

Performance: January 2000 – December 2009

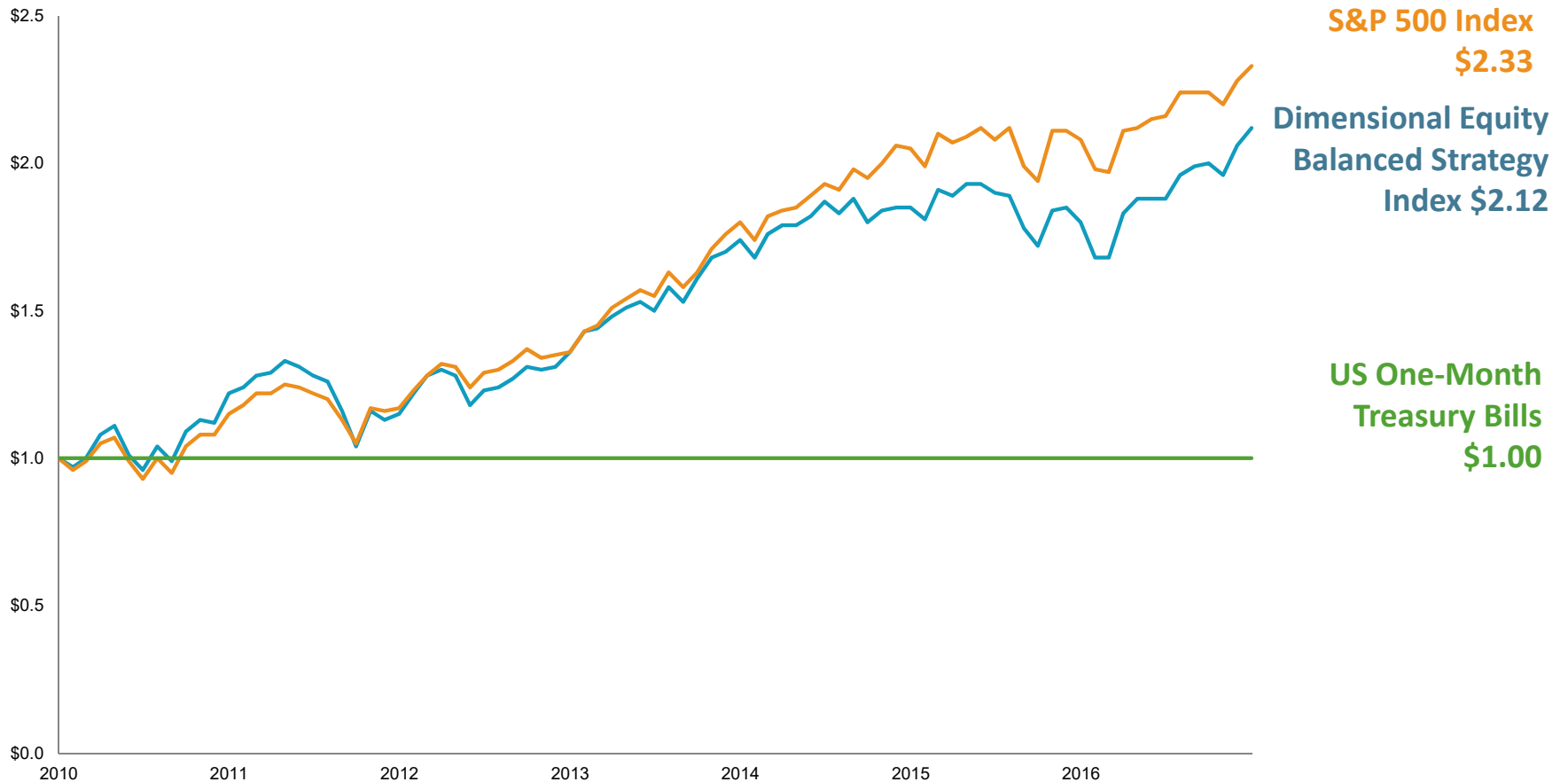


In US dollars. Sources: Dimensional for Dimensional Index data. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

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Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

Performance: January 2010 – December 2016

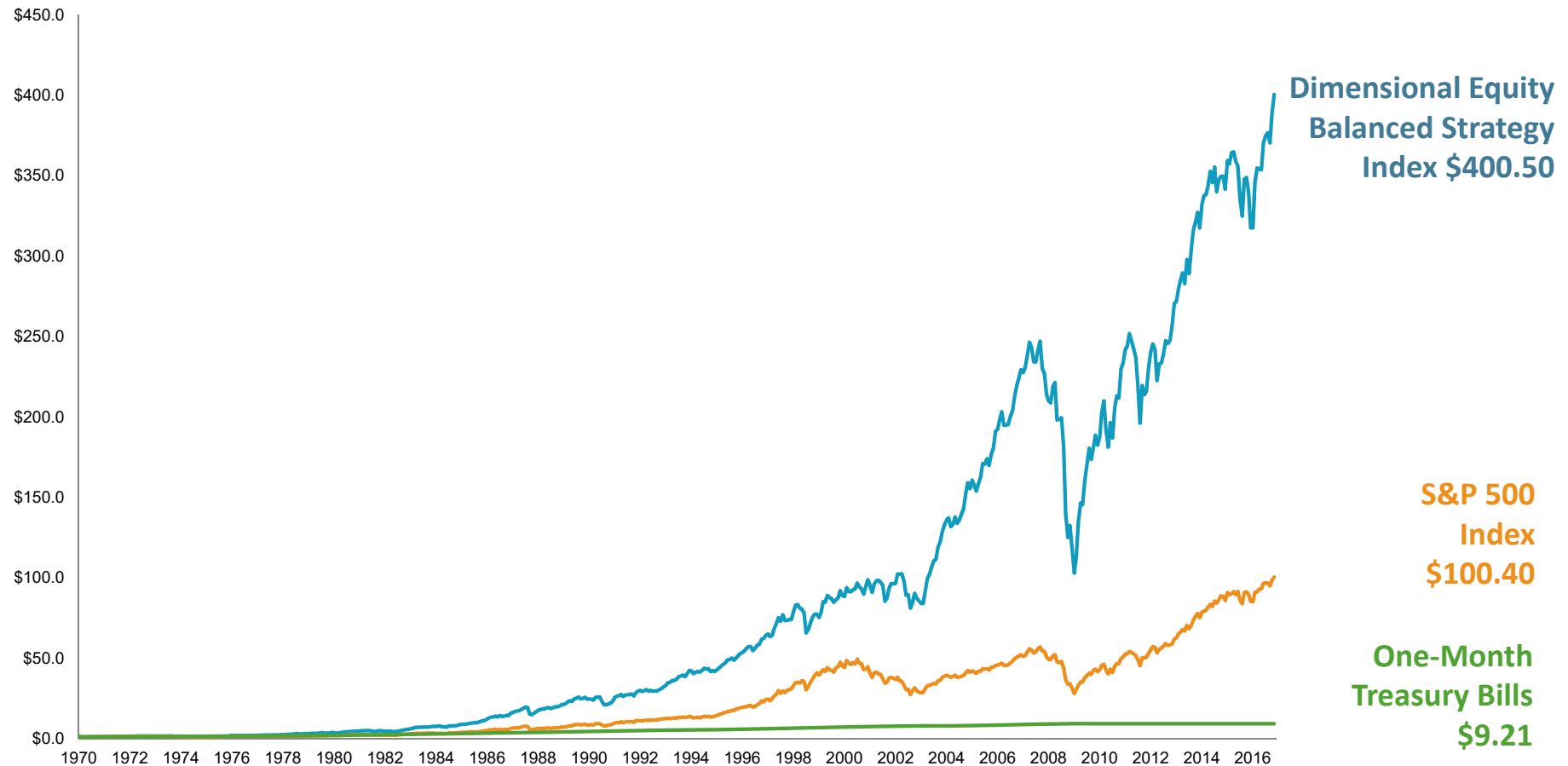


In US dollars. Sources: Dimensional for Dimensional Index data. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

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Global Balanced Equity Strategy Index vs. S&P 500 vs. T-Bills

Performance: January 1970 – December 2016

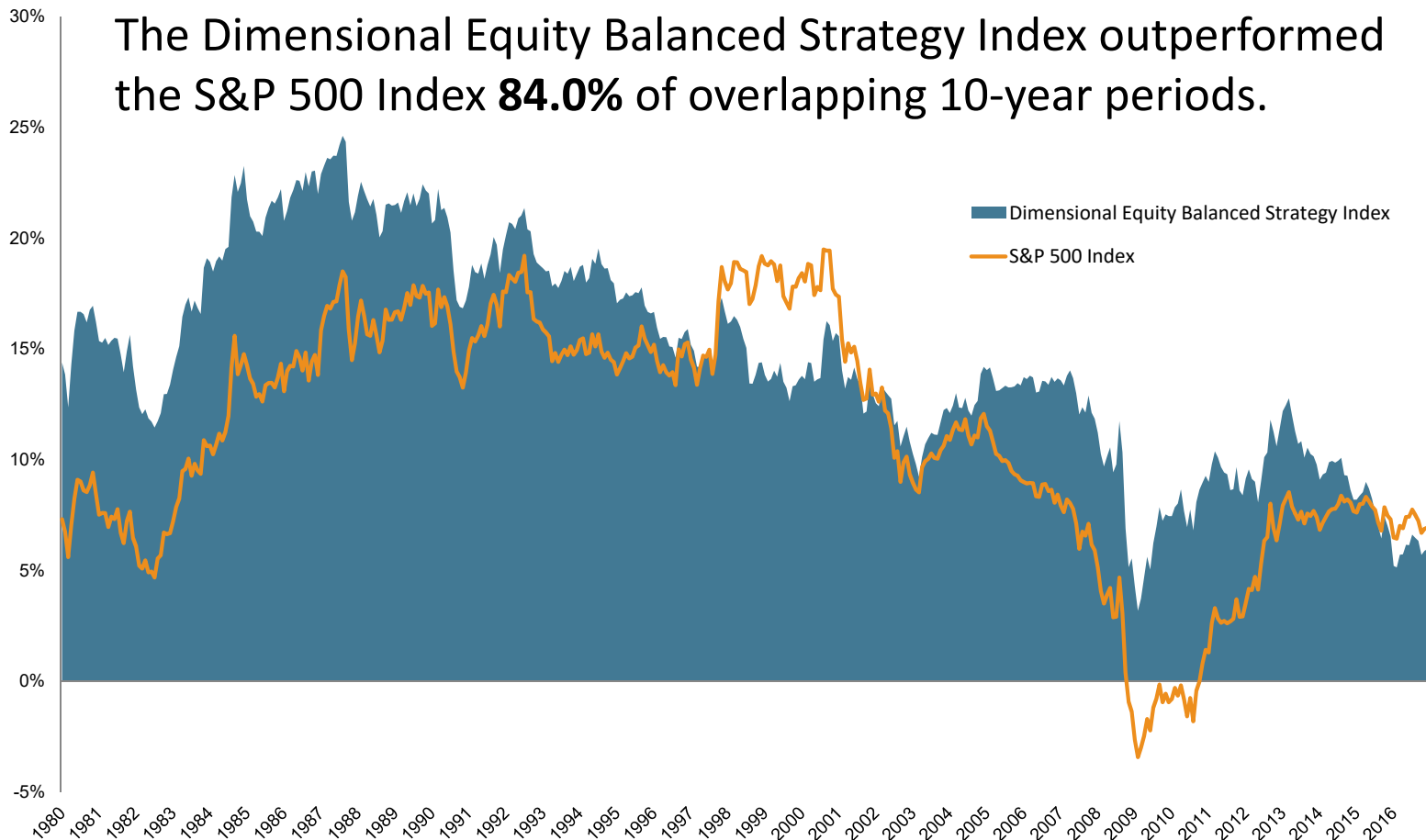


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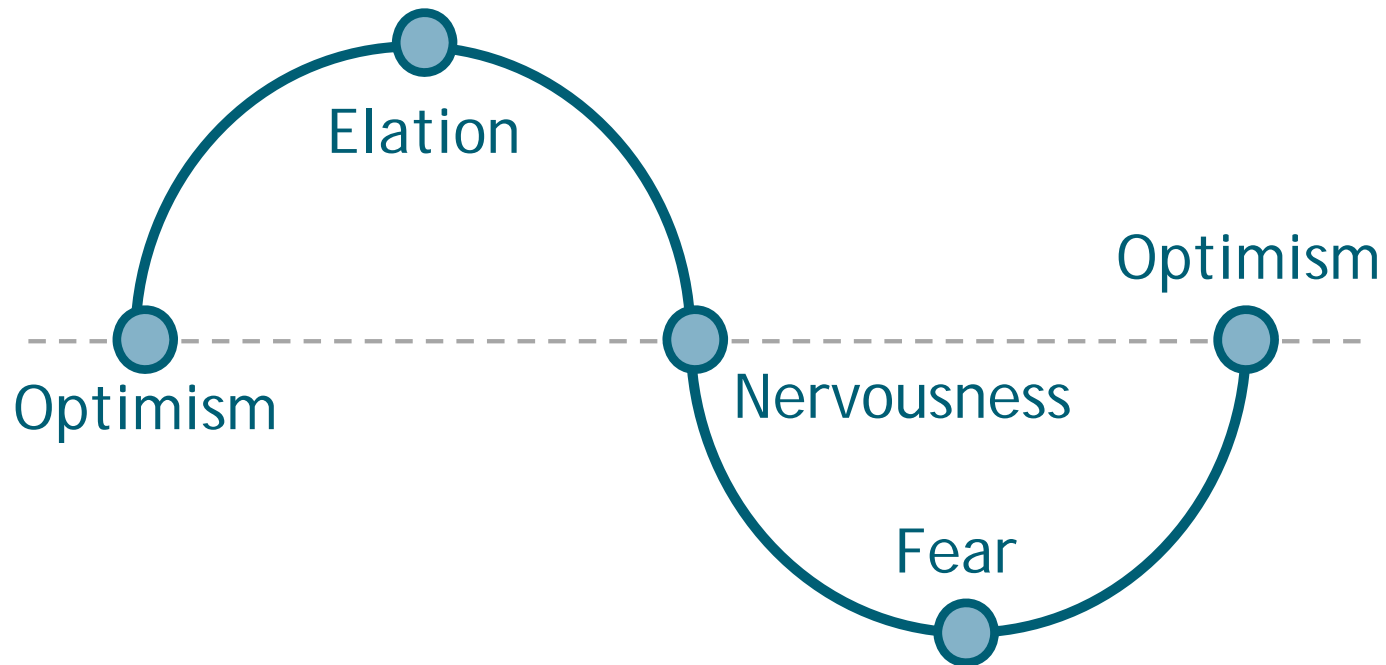
Global Exposure to Higher Expected Returns

10-Year Rolling Returns: January 1980 – December 2016



In US dollars. Sources: Dimensional for Dimensional Index data. Dimensional Equity Balanced Strategy Index vs. S&P 500: There are 444 overlapping 10-year periods. See "Dimensional Equity Balanced Strategy Index Description" slide in the Appendix for more information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. The S&P data is provided by Standard & Poor's Index Services Group.

Investing is Emotional

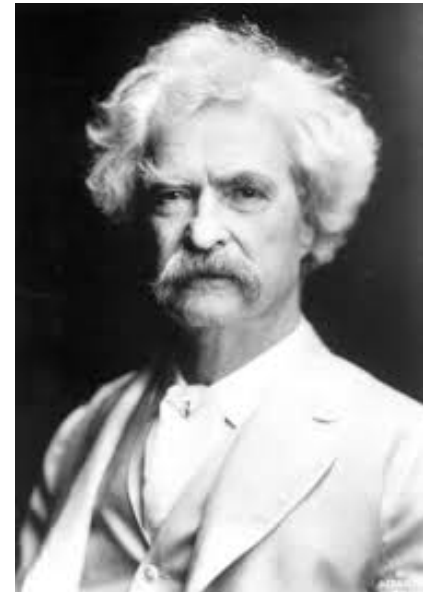


People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

“History doesn't repeat itself, but it does rhyme.”

Mark Twain



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Linda L. Kachiu, CPA

Zainer Rinehart Clarke CPAs

Linda's experience has an emphasis in audit and accounting services, in addition to extensive internal management organizational development and design with businesses. She enjoys working with businesses in a variety of industries, particularly those whose customer and client experiences are paramount to the business' success. Linda provides training and expertise in the tax exempt arena, which includes charitable institutions, trade associations, and private foundations.

Catherine J. Banti

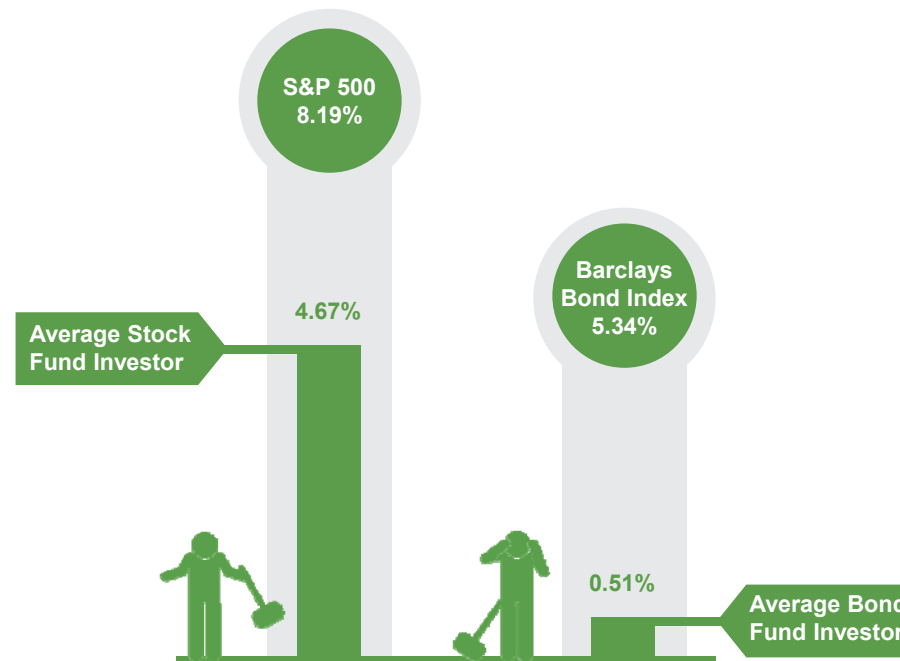
Anderson Zeigler – Attorneys at Law

Catherine's practice areas include General Business Law, Estate Planning, Real Estate and Intellectual Property Law. Catherine is a fourth generation Sonoma County resident and enjoys working with businesses and individuals in the community she grew up in. Catherine provides clients with highly personalized legal representation that addresses both their estate planning needs and daily business needs. Catherine feels that intellectual property rights are one of the most commonly overlooked business assets. Catherine helps clients to identify and protect those valuable intellectual property rights using her trademark, copyright and trade secret experience. With her diverse legal background, Catherine is able to efficiently assist her clients in today's quickly changing marketplace.

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Stick to Your Plan

Average Investors Underperform Major Indices — Annualized Returns from 1996 to 2015



Average stock investor and average bond investor performances were used from a DALBAR study, Quantitative Analysis of Investor Behavior (QAIB), 03/2016. QAIB calculates investor returns as the change in assets after excluding sales, redemptions, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses, and any other costs. After calculating investor returns in dollar terms (above), two percentages are calculated: Total investor return rate for the period and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions, and exchanges for the period.

The fact that buy-and-hold has been a successful strategy in the past does not guarantee that it will continue to be successful in the future. Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing. Bonds are subject to market and interest rate risk. Bond values will decline as interest rates rise and/or issuer's creditworthiness declines, and are subject to availability and changes in price. Stock investing involves risks, including increased volatility (up and down movement in the value of your assets) and loss of principal. The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. The Barclays Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. Indexes are unmanaged baskets of securities that investors cannot directly invest in. Index returns do not take into consideration any fees.

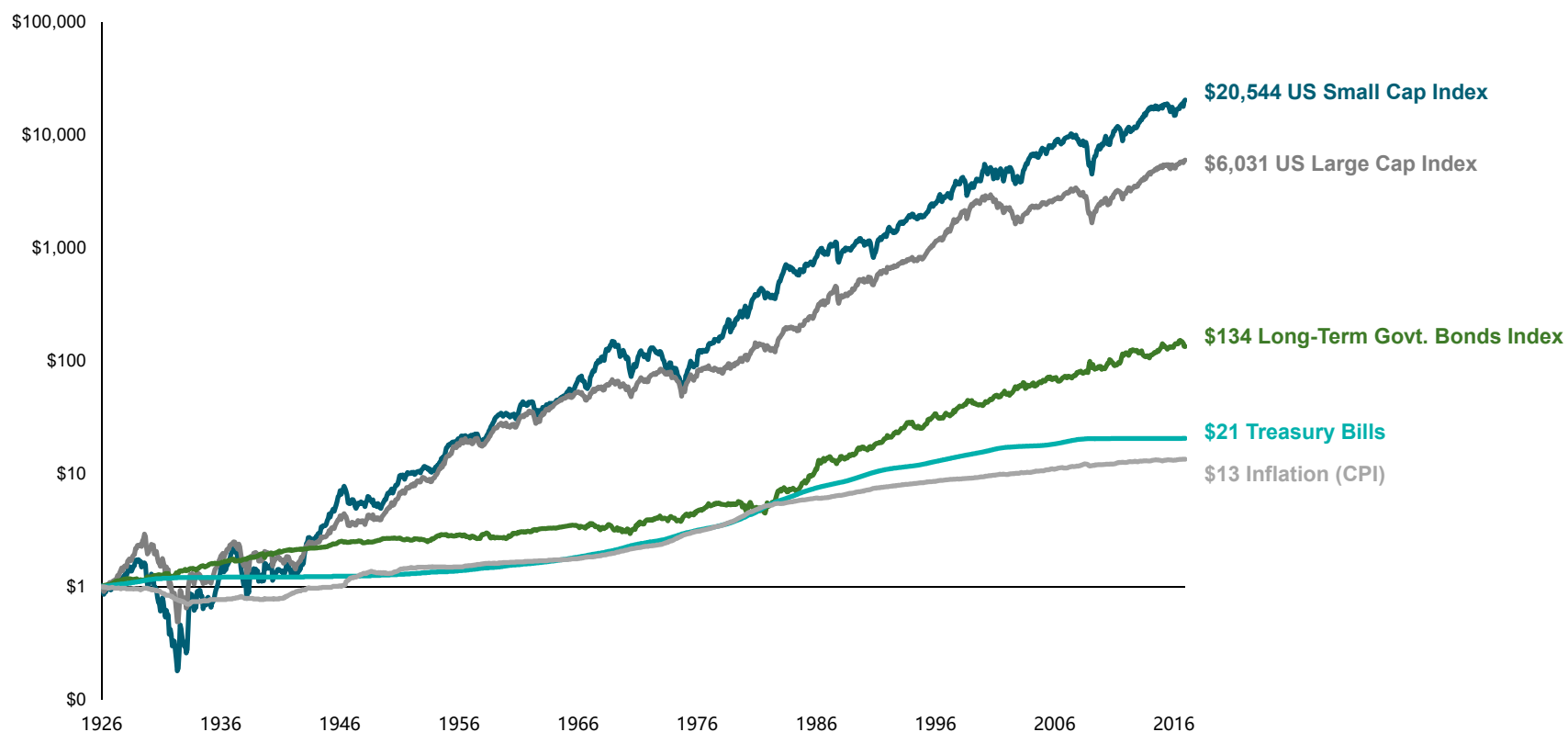
Market Downturns and Recoveries

1926 – 2016

Downturn	% Loss			Recovery
34 months	-83.4%	Sep 1929–Jun 1932	Jul 1932–Jan 1945	151 months
6 months	-21.8%	Jun 1946–Nov 1946	Dec 1946–Oct 1949	35 months
7 months	-10.2%	Aug 1956–Feb 1957	Mar 1957–Jul 1957	5 months
5 months	-15.0%	Aug 1957–Dec 1957	Jan 1958–Jul 1958	7 months
6 months	-22.3%	Jan 1962–Jun 1962	Jul 1962–Apr 1963	10 months
8 months	-15.6%	Feb 1966–Sep 1966	Oct 1966–Mar 1967	6 months
19 months	-29.3%	Dec 1968–Jun 1970	Jul 1970–Mar 1971	9 months
21 months	-42.6%	Jan 1973–Sep 1974	Oct 1974–Jun 1976	21 months
14 months	-14.3%	Jan 1977–Feb 1978	Mar 1978–Jul 1978	5 months
20 months	-16.5%	Dec 1980–Jul 1982	Aug 1982–Oct 1982	3 months
3 months	-29.6%	Sep 1987–Nov 1987	Dec 1987–May 1989	18 months
5 months	-14.7%	Jun 1990–Oct 1990	Nov 1990–Feb 1991	4 months
2 months	-15.4%	Jul 1998–Aug 1998	Sep 1998–Nov 1998	3 months
25 months	-44.7%	Sep 2000–Sep 2002	Oct 2002–Oct 2006	49 months
16 months	-50.9%	Nov 2007–Feb 2009	Mar 2009–Mar 2012	37 months

Capital Markets Have Rewarded Long-Term Investors

Monthly growth of wealth (\$1), 1926 – 2016



Past performance is no guarantee of future results. In US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. US Small Cap Index is the CRSP 6-10 Index; US Large Cap Index is the S&P 500 Index; Long-Term Government Bonds Index is 20-Year US Government Bonds; Treasury Bills are One-Month US Treasury bills; US Inflation is the Consumer Price Index. CRSP data is provided by the Center for Research in Security Prices, University of Chicago. The S&P data is provided by Standard & Poor's Index Services Group. Bonds, T-bills, and inflation data provided by Morningstar. The information shown here is derived from such indices, bonds, and T-bills.

Global Diversification



For illustrative purposes only. Diversification neither assure a profit nor guarantees against loss in a declining market.

Focus on What You Can Control

No one can reliably forecast the market's direction or predict which stock or investment manager will outperform.

A financial advisor can help you create a plan and focus on actions that add value.



A resource to you, clients, friends and family on financial and investment matters.

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