



For the Individual or Family Investor

Frequently Asked Questions
FAQs

How long has RPJ been providing Investment Advisory Services?

The firm registered with the U.S. Securities and Exchange Commission in 1984. The principals collectively have over 85 years experience in financial and investment management. The firm embraces its role as a fiduciary and is among the oldest fee-only firms in the Washington, DC metropolitan area.

How would you best describe the services you offer?

We offer comprehensive financial planning and investment advisory services as fiduciaries.

- a. Our comprehensive financial planning services for families and individuals may include every aspect of a client's financial life, i.e., reviewing insurance plans and income tax, cash management, estate, education, retirement, and special needs, and planned giving planning.
- b. Our investment advisory services are rooted in our status as fiduciaries. As fiduciary advisors, we have legal obligations that non-fiduciary advisors do not have. We must put our clients' best interests first, disclose any actual or potential conflicts of interest, treat all client information in strict confidence, and, generally, adhere to the highest ethical standards managing client financial affairs. Furthermore, we are only compensated through our clients' fees. This means we do not receive any compensation other than our client fees. We do not receive commissions, fees, or bonuses from the investment recommendations we make from any third party.

What is the RPJ investment philosophy?

RPJ's investment philosophy is derived from firmly held beliefs regarding the economic and investment environment and the threats and risks that can hinder returns. Our philosophy is based on three major principles. We believe: (1) wealth is best created through long-term participation in the global capital markets, (2) asset allocation across and within asset classes generates maximum returns for a given level of risk, and (3) minimizing expenses through passive strategies is a prudent course of action. The firm strives to reduce and manage its clients' risk exposure in the capital markets. These are central tenets of Modern and Post-Modern Portfolio Theory.

What is Modern Portfolio Theory?

Modern Portfolio Theory was developed in the 1950's. It states that an investment portfolio should be broadly diversified in order to achieve the maximum return for a given level of risk. Diversification (aka asset allocation) across different asset classes AND within asset classes significantly reduces the risk within an investment portfolio. The overall risk of loss is reduced, because a loss in any single investment has a smaller impact on the total. There have been many studies conducted since the 1950's that have demonstrated this theory as the most prudent investment approach.

Post-Modern Portfolio Theory (PMPT) was developed in the late 1980's. It expanded upon the original model for asset allocation by refining the way risk is defined. Instead of using "standard deviation" as the risk parameter, PMPT uses "downside risk optimization." The resulting impact is a portfolio of diversified assets that seeks to preserve the capital of the investor, deliver the investors minimal acceptable return (MAR), and reduce the risk of achieving overall returns below the MAR.

How are RPJ's Investment Advisory Services different from those I would receive from other financial services firms?

We are exclusively registered as an Investment Advisor with the SEC. We are not registered as a brokerage firm with FINRA (formerly NASD). We only accept compensation in the form of fees from our clients. We affirm our fiduciary duties to our clients in all the services we offer. These are the key attributes which distinguish RPJ from large financial services firms.

Additionally, after 24 years registered with the SEC, we feel we know of other attributes that our clients appreciate. First, we believe clients appreciate that we take time to look at their total financial picture and investment policy as a basis for making investment recommendations. Second, we believe clients like that we are not commission-based sales brokers and do not spend time trying to "sell" them products. Instead, we offer recommendations that can help clients meet their investment and financial goals that are based upon firms we have evaluated, have a track record and offer funds that support achievement of those goals. Third, we believe clients like the fact that we are "fee only" and that we are fiduciary advisors, as opposed to brokers, who are not fee only and whose interests may favor their company rather than their clients.

What annual return can I expect?

There are no guarantees to investing. Therefore, we would never guarantee any return on an investment portfolio. No firm should. Doing so is prohibited by the SEC. Historically, the financial markets provide an overall rate of return (over time) which justifies investors entrusting their assets to them. Real rates of return are impacted by the effects of inflation, taxation, and other investment expenses. At the same time, strong consideration must be given to the preservation of capital. That is to say, minimizing risk of loss is a fundamental guiding principle. History has shown that investing in a well-diversified portfolio can increase returns and manage the volatility (risk).

How do RPJ fees compare with brokerage firm fees?

We believe our fees are often lower than the fees of brokerage firms, comparing our range of fees with theirs. Our fee range starts at 1 percent and decreases to .4 percent or less with larger accounts. According to a recent study by the Rand Corporation for the SEC, as it concerned brokerage fees, “Fees that are based on account size generally range from 1 to 3 percent of assets, whereby larger accounts are subjected to lower fees, and wealthier clients are often in a position to negotiate the fee rate.” *

** Investor and Industry Perspective on Investment Advisors and Broker-Dealers, December 2007*

Some clients may not feel they have accumulated sufficient assets to work with our firm using this type of assets-under-management fee arrangement. In those cases our comprehensive financial planning services may be provided on a retainer or hourly fee basis tailored to the specific client need.

How do I set up online access to my accounts, e-confirms, or e-statements?

To set up online access to your accounts and all other related data, please call (800) 515-2157 or visit www.schwaballiance.com.

How do I change my address?

Please contact your advisor promptly to notify them of your address change. They will mail you a change-of-address form that will require your signature. Keeping your address current with RPJ and the custodian of your assets will help ensure that you experience no lapses in service.



To whom do I make my investment checks payable to?

Be sure to make checks for investment payable to “Charles Schwab & Co.” or yourself. Also include the account number into which you would like the check deposited on the memo line. If you do not use Charles Schwab make checks payable to your custodian or yourself. **We cannot and do not accept any investment checks made out to our firm.**

**Note: If you mail a check for investment made payable to your advisor or Rembert Pendleton Jackson, we are required by law to mail the check back to you within 24 hours.*

Where should I mail my checks for investment?

As an extra measure of security, please mail your checks for investment to our offices. It is possible for you to mail checks directly to Schwab, however if you were to do this, we have no ability to track checks that aren't sent directly from our offices. We have had instances in the past where checks mailed from clients to Schwab have been lost.

What happens with my client file?

All client files are kept in a secure location and are locked up each night. The Securities and Exchange Commission (SEC) requires that registered investment advisors, such as RPJ, keep client files for a minimum of five years from the most recent activity. It is company policy not to retain any original documents. Therefore, our files consist purely of copies of information which you have in your possession.

Does RPJ share personal confidential information with third parties?

Please refer to RPJ's “Notice of Privacy Practices” which can be found on our website at www.rpjadvisors.com or by request to info@rpjadvisors.com.

If I cannot get in touch with my advisor, who can I talk to?

If you are unable to reach your advisor, please call our main line at (703) 821-6655, or toll-free at (877) 821-6655. Let the person who answers know who your advisor is and that you require assistance. They will put you in touch with an available advisor at our firm who can offer assistance.



How do I wire funds to my Schwab account?

Please use the following wire instructions:

Wire to: Citibank NA, 111 Wall Street, New York, NY 10043

ABA #: 021000089

FBO: Charles Schwab & Co., Inc.

A/C #: 40553953

For the Account of Schwab A/C #: _____

**Note: If no space is provided for the last line, add the last line as additional information. Please make sure to inform your advisor of the exact amount of the wire and the time it was requested.*

How do I wire funds from my Schwab account?

We will assist you in completing this type of transaction. If you have given us “Trading and Disbursement Authority” we can move funds between like-named accounts. However, if funds are being wired to a third party, Schwab requires an account owner’s signature to complete the transfer request. Please obtain the following information before contacting our offices:

1. Name, address, and phone number of bank or institution
2. ABA # (Swift Code or Routing #)
3. If required, FBO name and number
4. Receiving account name and number

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