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Dear Client:

We have enclosed your fourth quarter 2016 Portfolio Performance Report. Please review the materials and insert them behind the green "Performance" tab in your "Planbook."

This table presents the 2016 fourth quarter and 2016 full year returns of the benchmarks for selected asset classes.

Asset Class Returns

Asset Class	4th Qtr 2016	2016	Benchmark Index
Domestic Fixed Income	-2.07%	2.08%	Barclays Intermediate Gov't / Corp Bond
Domestic Inflation Protected	-2.41%	4.68%	Barclays TIPS Index
International Fixed Income	-2.16%	5.46%	JP Morgan – Global Gov't - Non US (hedged)
Domestic Equity (Large)	3.82%	11.96%	S&P 500 with Dividends
Domestic Equity (Large Value)	6.68%	17.34%	Russell 1000 Value Index
Domestic Equity (Small)	8.83%	21.31%	Russell 2000
Domestic Equity (Small Value)	14.07%	31.74%	Russell 2000 Value
International Equity	-0.71%	1.00%	MSCI EAFE Equity Index with Dividends
Real Estate	-3.28%	8.63%	FTSE NAREIT Equity
Precious Metals	-13.35%	8.10%	Gold
Natural Resources	3.75%	13.27%	Dow Jones UBS Commodity Index

We believe a review of the investment markets for 2016 should include some commentary on the new highs set by many of the major market indexes as well as some perspective on expectations for the year ahead.

All of the asset classes in the table above were positive for the full year. U.S. equities saw nice gains in Q4 and for the full year. The Fed's resumption of interest rate increases in Q4 was one factor that impacted fixed income returns.

2017 Contribution Limits

The maximum elective deferral amount remains unchanged for 2017 at $18,000.

The maximum catch-up contribution for those age 50 and older remains unchanged for 2017 at $6,000.

The maximum defined contribution limit for 2017 rises slightly from $53,000 to $54,000.

1099s for 2016

As a reminder, IRS rules allow Schwab up to February 15th to deliver prior year 1099s.

At the close of each of our quarterly newsletters we state that our investment philosophy continues to advocate participation in the markets with a globally diversified portfolio as a prudent strategy for the long journey. In our view, that philosophy has served our clients well for many years. This is because it helps us keep clients focused on achieving their long-term financial goals regardless of the short-term news headlines or the stage of a market cycle we may be in.

A review of the performance of various asset classes for 2016 also shows the benefit of diversification in any year. Each asset class is part of a market cycle. However, the complexity is that each of those market cycles is of different durations, phases, and magnitude at any point in time. No one market cycle dominates a composite portfolio. In 2016, many equity asset classes enjoyed a positive year as the bull market cycle continued. Also in 2016, many fixed-income asset classes experienced weaker than average returns as the cycle of rising interest rates began to emerge for the first time in many years. Real estate asset classes were subject to different pressures that supported their nice gains in the first half of the year and much weaker results in the second half of the year. All this is to simply say, participating in multiple asset classes generally works to the advantage of the patient investor by helping to reduce risk of loss potential from a concentration in a single asset class.

In 2016, the Dow Jones Industrial Average set new highs on 26 separate days during the months of July, August, November, and December.[*1] The media was awash with the Dow 20,000 frenzy! We think it is important to remember two things. One, the Dow is probably the most well-known index, but represents only 30 stocks. The S&P 500 is also well-known, but is more diversified, and is therefore perhaps a better indicator of the U.S. stock market. Second, new highs are a normal part of bull market cycles. [*1] www.thebalance.com Kimberly Amadeo

We have included a chart prepared by Morningstar that illustrates how the U.S. market (as represented by the U.S. Large Stock index) has evolved through downturns, recoveries, and expansions over the past 90 years. A bull market, where markets experience a rise in prices for an extended period of time, can have two distinct components. It starts with a “recovery” period when the market returns to a previous high after a downturn. It may then extend into an “expansion” period when it reaches new highs. We are currently near the 5 year mark in the expansion phase of the current bull market. The chart illustrates two interesting points. First, there have been previous expansions that have lasted longer and achieved larger gains. Second, the downturns have been much shorter periods than either the recoveries or the expansions.

There was considerable uncertainty in the investment markets prior to the November election. The surprising Trump victory provided a boost to the markets as the year ended. Now, as the new Trump administration takes shape, uncertainty will likely continue as he formalizes his cabinet, advisors, and agency appointments. Their approach to many key issues will likely have some impact on how the economy and markets evolve in 2017. Whether those influences will be positive or negative is still to be determined!

What about expectations for 2017? Is the fact that markets are hitting new highs, or that this bull market is almost the longest in history, a reasonable rationale for making portfolio changes? We think not. In fact, we believe there is no single market event or factor that should create a compelling need to make a change in a prudent long-term strategy.

The U.S. and other world economies seem healthy enough to sustain modest expectations for 2017. The rising interest rate environment may prove to be a challenge for realizing any substantial real returns in the core fixed income holdings, yet they remain a very important component in managing risk.

If you have a change in your financial circumstances or if you believe the year's market performance has caused your portfolio to become a bit out of balance, then we want to talk to you about making adjustments. We believe managing your investment program with small course corrections to keep it on a steady path toward meeting your objectives is important for your success.

Our investment philosophy continues to advocate participation in the markets with a globally diversified portfolio as a prudent strategy for the long journey. We welcome your comments and value the relationship we have with each of you. Stay safe and enjoy the fall!

Regards,

Rembert Pendleton Jackson

Rembert Pendleton Jackson

The discussion of investment strategy and philosophy found in this advertisement is not intended as any form of substitute for individualized investment advice. The discussion is general in nature, and therefore not intended to recommend or endorse any asset class, security, or technical aspect of any security for the purpose of allowing a reader to use the approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. Rembert Pendleton Jackson can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment, asset class, or investment strategy (including the investments and/or investment strategies recommended by the adviser), will be profitable or equal to past performance levels.

Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices. An investor may not directly invest in an index.

Any charts, graphs, or visual aids presented herein are intended to demonstrate concepts more fully discussed in the text of this brochure, and which cannot be fully explained without the assistance of a professional from RPJ. Readers should not in any way interpret these visual aids as a device with which to ascertain investment decisions or an investment approach. Only your professional adviser should interpret this information. Some information in this presentation is gleaned from third party sources, and while believe to be reliable, is not independently verified.

RPJ Investment Advisory Services

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Quotable Quotes

"Don't look for the needle in the haystack, just buy the haystack!"

- John C. Bogle

Welcome

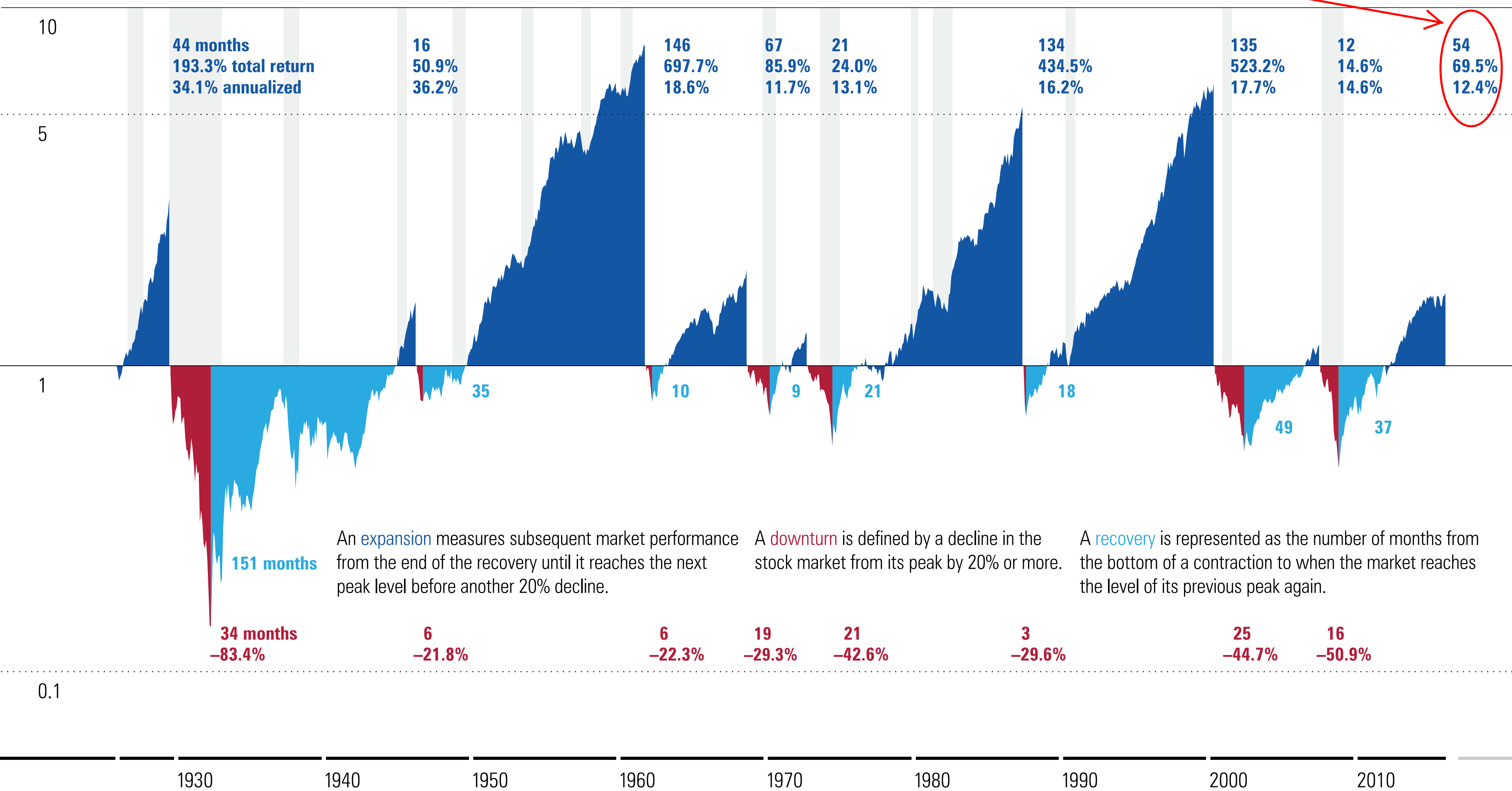
RPJ is pleased to announce Dan Jackson will join the firm in mid-January. Dan is a graduate of Clemson University and has worked for New York Life Insurance Company. He will be an associate planner working with Dwayne Jackson and Liz Verdi.

U.S. Market Downturns, Recoveries, and Expansions

There have been eight market downturns since 1926, the most severe one being the Great Depression. More recently, during the "lost decade," two consecutive downturns with little to no expansion discouraged U.S. investors. However, the market has returned 69.5% since the expansion started in March 2012, and, as the chart illustrates, there is ample potential for future growth.

Thru 9/30/2016

Gray bars represent recessions



An expansion measures subsequent market performance from the end of the recovery until it reaches the next peak level before another 20% decline.

A downturn is defined by a decline in the stock market from its peak by 20% or more.

A recovery is represented as the number of months from the bottom of a contraction to when the market reaches the level of its previous peak again.

QM06

Source: Morningstar Markets Observer Q4 2016
Data as of 9/30/2016
Approved for use with RPJ clients