

Frequently Asked Questions

With what types of client do you work?

Our clients are very diverse, and have a broad range of investment objectives. The majority of our clients are individuals and trusts. We can be particularly valuable to clients who are going through a life transition, such as retirement, divorce, loss of a spouse, or sale of a business, because we are effective in translating new financial circumstances into sustainable, long-term investments and financial plans. Normally, our clients will have a minimum of \$500,000 of investable assets available for management.

What is your investment approach?

We seek to diversify a client's assets broadly across the important investment markets. We look for attractive investments, provided that we can invest in those markets at low cost and with controlled risk. We fundamentally believe that long-term investment performance is determined by the specific investment security itself. We combine these market investments in a way to reduce risk.

We will design a customized portfolio for each client based on his or her specific investment objectives. Each client portfolio is therefore unique and changes are made based on the client's individual circumstances.

What types of personal financial planning services are offered?

We are responsive to the particular needs of each client, and strive to help them with a large number of personal financial planning issues at no additional charge. The following list is representative of some of the services we offer, but it is not intended to be a comprehensive list.

- providing an analytical report that attempts to project likely living expense levels sustainable over one's lifetime, based on a client's assets, tax rates, assumed inflation rate and assumptions unique to each client's spending plans and goals.
- guidance on gifting strategies, including amounts and forms of the gifts.
- savings strategies for specific long-term goals, such as developing a plan to fund a college education.
- analyzing specialized client holdings, such as stock options, concentrated and highly appreciated securities, and stock purchased through an employee stock purchase program.
- planning and calculating opportunities to use tax-deferred retirement plans for both company employed and self-employed individuals.
- providing guidance and analysis to assist with selecting the best personal debt choices, including home mortgages and home equity loans.
- coordinate managed investments with others held elsewhere to provide a comprehensive investment plan.

What services do you provide?

We consult with the client to determine their overall financial objectives, and then design and implement an investment program that is consistent with those goals. We continuously monitor the investments, the markets, and the client's situation to adjust the investment holdings to reflect changing conditions. We report quarterly to clients on their investment assets and performance, and encourage at least annual face-to-face meetings to review their overall financial and investment program. We provide more detailed financial planning analysis and guidance on issues specific to each client as they arise.

How are you compensated, and when do you get paid?

We charge a management fee based on a percentage of the value of the assets we manage. We accept no commissions or other forms of compensation from investment product providers or financial institutions. The fee is quoted as an annual percentage fee, and is billed quarterly by taking the value of managed assets at the end of each calendar quarter and applying one-fourth of that annual percentage fee.

How will you communicate with me about my account?

You will receive a quarterly written investment performance report and an annual newsletter. We will also have occasional special mailings and email alerts on topics of interest. Most clients will often talk with us by telephone several times during the year, and we like to meet face-to-face with each client at least once per year. Clients are also encouraged to contact us by e-mail, fax, or telephone at any time to discuss their investments, ask any questions, or discuss any financial planning matter.

Will I be able to take part in the investment decisions?

Yes, you will. At the outset, your investment goals, previous investing experiences, tolerance for risk, and your specific preferences will be the most important determinants of the investment strategy we recommend.

We primarily manage accounts on a "discretionary" basis. Discretionary means we can and may take an investment action on your behalf without getting explicit approval in advance, provided the action is consistent with the overall investment goals we discuss and document with you at least annually. Non-discretionary means that we must receive your approval on each and every investment change or trade before we make it.

I have some investments I want to manage on my own. Can I still work with you?

Yes. We can set up a separate account(s) that will hold the assets you would like us to manage, and only collect our normal fee on those assets. If you prefer, your self-managed account can be set up on our system as an unmanaged "custodial" account for a nominal fee, which then allows us to execute trades for you that you direct us to make, and to prepare tax and performance reports on your self-managed assets. We only ask that the assets subject to our normal management fee meet our normal account minimums.

Will you charge me an extra fee to consult with my tax advisor or estate planning attorney?

No, in most cases such consultations are offered as part of our normal management fee. In fact, we

welcome the opportunity to discuss tax or estate planning opportunities with other professionals that you have engaged. We realize that they may charge you for their time speaking with us, so we will not undertake such discussions without your express permission, or unless as a result of a direct inquiry from them.

If you have a need to find a tax professional, attorney, insurance, or retirement plan specialist, we are happy to provide referrals to professionals we know that we think can assist you. We accept no referral fees from anyone in return for referring a client.

Will I get reports to help with income tax return preparation?

Yes, you will. We can send you a report of taxable events, including earnings from interest, dividends, realized capital gains, and capital gains distributions. We can also prepare a report showing the unrealized gains in your account at any time.

Can you arrange for regular payments or transfers of cash to be made from my account?

Yes. We can set up regular, periodic transfers of a fixed dollar amount on a bi-monthly, monthly, or quarterly basis. Alternatively, we can arrange to have the interest and dividends earned paid out of your account, which can vary from month to month.

Can you provide advice on how I should invest the money in my company's 401(k) Plan?

Yes. If you are actively participating in your company's 401(k) plan, we will provide guidance on how to choose among the available funds in your company plan and coordinate managed and unmanaged accounts.

What is the process to start working with you?

We recommend starting with a brief 15-20 minute phone call to understand what your overall objectives and needs are, and to plan the first meeting. Before our first meeting, we will send you an introductory package about our firm, and encourage you to fill out a two-page Personal Information sheet about yourself.

During our first meeting, which normally lasts 1-1/2 to 2 hours, we will explore your needs and expectations in much more detail, introduce you to our investment approach and reasoning behind it, and describe how we believe our approach could best be applied to your situation. We will answer any questions you might have about how we would work with you.

If our approach makes sense to you, we would then offer to prepare a specific investment proposal, at no cost or obligation to you. In our second meeting, we will present this proposal and show you exactly how we would design and implement a customized investment program for you, and how we would address any financial planning issues. The proposal is flexible enough to accommodate changes or preferences that you may have.

At this point, if you have decided to work with us, we would take you through the steps of establishing our advisory relationship and the specific implementation steps for your investment program.