

Application for Financial Advisory Listing/Advertising on The White Coat Investor Website

Personal and Firm Information

Your Name: [Haley Huhn](#)

Name of Firm: [Foster Group](#)

Insert link to your website: www.fostergrp.com

Insert link to your ADV2: <http://www.fostergrp.com/privacy-policy/>
<http://www.sec.gov/answers/formadv.htm>

Which services do you provide:

Financial Planning:

Investment Management

Both

Other services (please list):

Family Office Planning

Years of financial experience: [26](#)

Years of experience with financial planning or investment management for individuals: [26](#)

Years your firm been in business: [26](#)

Which of the following designations do you hold (Check all that apply):

CFA

CFP

ChFC

CLU

CPA

PFS

EA

MBA

BS or MS in finance related field

Other (please list):

[MAcc](#)

[AIF](#)

[CIMA](#)

[JD](#)

[RP](#)

Have you had any events in the past that are reportable to regulatory agencies? If so, please attach explanation.

No.

Have any of your former clients sued you? What was the outcome? Please attach explanation.

No.

Are you currently involved in a lawsuit by a client or former client? Please attach explanation.

No.

Fee Structure

How do you get paid (check all that apply):

Commissions on investment products

Commissions on insurance products

Hourly rate

Annual retainer

Flat fee for financial plan

AUM Fee

Other (Please list):

How much do you charge? Please list your fee structure. If there is a range of possible fees readers can expect to pay, what is the range and what determines where in the range they would fall. If you use AUM fees, be sure to list what a reader would pay with \$100K, \$500K, \$1M, and \$2M in assets.

Individual Clients:

Account Value	Annual Fee Schedule {on marginal dollars}
Up to \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	.75%
\$2,000,001 - \$3,000,000	.60%
\$3,000,001 - \$5,000,000	.50%
\$5,000,001- \$10,000,000	.40%
\$10,000,001 and above	Negotiable

Subject to a Minimum quarterly fee of \$750

Institutions:

Account Value	Annual Fee Schedule {on marginal dollars}
Up to \$1,000,000	.75%
\$1,000,001 - \$2,000,000	.75%
\$2,000,001 - \$3,000,000	.60%
\$3,000,001 - \$5,000,000	.50%
\$5,000,001- \$10,000,000	.40%
\$10,000,001 and above	Negotiable

What is the minimum amount of assets required for you to take a client? We do not have a minimum amount of investable assets. For individuals, – we have a quarterly minimum fee of \$750.00, this corresponds to \$300,000 in investable assets.

If you receive payment for insurance product commissions, what percentage of your business revenue do they make up? N/A

Do you consider yourself a fiduciary? Yes, as a registered investment advisor we are bound by a fiduciary duty to our clients. We have been a CEFEX-certified registered fiduciary since 2007.

Do you routinely sign a fiduciary agreement with clients? All clients sign an investment management agreement and investment policy statement (IPS).

Investment Philosophy

Do you use tactical asset allocation? If so, please explain your process.

We do not make tactical allocation changes in client portfolios. We believe most investors are better-served by making a strategic asset allocation decision initially, then managing their portfolio to that allocation consistently through time. This approach minimizes the risk of an allocation change being driven by fear or greed. It also reduces the possibility of a poor outcome resulting from a forecast that ultimately proves to have been substantially incorrect.

Do you believe you can time the market sufficiently well to beat a comparable low-cost index fund after fees?

No.

Do you pick individual stocks for clients?

No.

Do you believe most physicians should own a cash value life insurance policy of any type? If so, what type and why?

We believe there are valid reasons for certain individuals to own cash value life insurance, in one of its many forms. We do not believe applying “broad-brush” criteria is a helpful way to determine whether a cash value policy is the best vehicle for any individual to use, however. Such decisions are better made in the context of specific information about a specific individual’s needs, desires and financial situation. We think the far more important decision is to have sufficient insurance coverage of some type in force to meet the needs of survivors in the event of an untimely death. No surviving spouse asks the question, “What type of insurance did my spouse own?” They ask the question, “How much death benefit will we receive?”

Do you believe you can select mutual fund managers who can beat an index fund in the same asset class over the long term going forward?

No.

What percentage of a typical client portfolio would you place into actively managed mutual funds or ETFs?

In the traditional definition of “active” management, none of our client assets would be placed in this type of investment vehicle. We do not employ any funds where managers are making timing decisions or making qualitative judgments to hold certain companies versus others because they believe the prospects for one company are better than another.

We do use some Vanguard funds, primarily bond funds, that are not index funds, and could be considered active, in that sense. We also utilize a number of DFA funds, both equity and fixed income, that are asset-class funds. These funds employ intentional tilts toward risk factors that have been shown to have higher expected returns over time which is, essentially, an active decision. These funds

also employ trading methods around both positive and negative price momentum that could be considered an active tactic.

What role do fees play in your selection of individual investments?

We believe the cost of investment vehicles used in the implementation of our client portfolios to be one of the most important decisions we make on their behalf. Our fiduciary responsibility is to minimize the costs they bear so long as we don't jeopardize their results by doing so. We see overwhelming evidence that paying higher fees for investment vehicles has little to no correlation to better investment results, in fact, the exact opposite appears to be true.

What fund companies do you routinely use? (Check all that apply)

Vanguard

DFA

Bridgeway

iShares

Other (Please list):

Charles Schwab

Do you routinely engage in tax-loss harvesting for clients in their taxable accounts?

For taxable investors, particularly high-bracket taxpayers, we do actively engage in tax-loss harvesting. This occurs at two levels. First, we utilize investment vehicles that are specifically tax-managed, where they are available. At the fund company level, managers of these vehicles actively look for loss-harvesting opportunities where they exist and make other portfolio decisions in the context of minimizing tax impact to end investors. At the Foster Group level, we actively look to realize meaningful tax losses for clients when they are available. This allows us the flexibility to make future rebalancing decisions with less (or no) tax impact to the client. When we implement loss-harvesting trades, we always look to swap to a similar investment vehicle in the same asset class in order to maintain consistent market exposure and allocation.

Physician Specific Issues

How many physicians and/or dentists are you currently advising? (i.e. managed assets of or met with in the last year):

~37% (~350 people)

What do you feel is your biggest value-add for a doctor?

Most of our physician clients are delegators. Many have the ability to do on their own what they engage us to do for them; some also have the willingness to do the work. Very few, however, have the time. Most prefer to devote the time it takes to manage their investment portfolio and financial planning either to their practice, their family, leisure activities or causes that are important to them. One of our most significant values to physician clients is a clear understanding, based on 26 years of working with physicians, of the unique pressures and needs they have. This allows them to delegate with confidence and have peace of mind about achieving their financial objectives, even though they are not doing the work themselves.

Do you consider yourself qualified to give high-quality advice on all of the following student loan related issues: IBR, PAYE, REPAYE, PSLF, deferment, forbearance, and student loan refinancing? Why or why not? Is this advice included in your regular fees listed above?

Student loan counseling and advisement is not a significant part of our practice.

How many clients have you assisted with a Backdoor Roth IRA in the last year?

~31

Which of the following accounts do you consider yourself an expert on? (check all that apply)

401(k)

403(b)

457(b)

Individual 401(k)

SEP-IRA

SIMPLE IRA

Traditional IRA

Roth IRA

HSA

Profit-sharing Plan

Defined Benefit/Cash Balance Plan

Others (Please list):

What steps do you proactively take in a market downturn to improve investor behavior?

Clear, effective and frequent communication is what we've found to be most effective at helping clients deal with market downturns. Because our investment strategy is not active and is not dependent on forecasting, our message during good times and bad is similar. The message is to maintain the allocation we originally targeted and not get carried away with greed during good times or fear in bad times. Most clients have an intuitive sense that not reacting during a market downturn

is probably the right thing to do, but they need reinforcement to actually stay the course and not feel as though they're "missing out" on something they should be doing. We communicate via our website, via e-mails to all clients, through our newsletter and by offering clients the opportunity to have conversation face-to-face or by phone to discuss specific concerns they may have.

Anything else that you would like me to take into consideration with regards to your application?
(Attach additional documentation as desired)

- We have had an ongoing sponsorship with the Iowa Medical Society for over 20 years and also sponsor and work with the Nebraska Medical Association, South Dakota Medical Association, Polk County Medical Society and Metro Omaha Medical Society.
- Over the last five years, we have a 97 percent average annual client retention rate.
- We've been honored with the following awards:
 - Charles Schwab Best-in-Business IMPACT Award™ (2012)
 - For the last two years, Foster Group has been recognized in CNBC's Top100 Fee-Only Wealth Management Firms (out of 28,000 in the nation).
- Foster Group has always encouraged our clients to consider integrating generosity into their investment and financial plans. Since 2010, Foster Group has enjoyed facilitating over \$20 million of financial gifts on behalf of our clients.
- CEFEX-certified since 2007.
- Foster Group was recognized in 2015 as Iowa's Top Workplaces by the Des Moines Register.