

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

## Personal and Firm Information

Your Name: **Jeffrey Brown**

Name of Firm: **Shearwater Capital**

Insert link to your website: **www.shearwatercapital.com**

Insert link to your ADV2:

**[https://adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=421486](https://adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=421486)**

Which services do you provide:

**Financial Planning**

**Investment Management**

**Both**

Other services (please list):

Years of financial experience: **18 years**

Years of experience with financial planning or investment management for individuals: **18**

Years your firm been in business: **18**

Which of the following designations do you hold (Check all that apply): HIGHLIGHTED DESIGNATIONS ARE HELD

**CFA**

CFP

ChFC

CLU

CPA

PFS

EA

**MBA**

BS or MS in finance related field

Other (please list):

**MD**

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.

### Annual Fee Percentage

Less than \$100,000: 0.85%

\$100,000 - \$250,000: 0.75%

\$250,000 - \$500,000: 0.65%

\$500,000 - \$1,000,000: 0.55%

\$1,000,000 - \$2,500,000: 0.45%

\$2,500,000 - \$5,000,000: 0.35%

\$5,000,000 - \$10,000,000: 0.25%

More than \$10,000,000: 0.15%

**The annual costs quoted above apply to the total value of all accounts that a client has with Shearwater Capital. In other words, if you have a taxable account, an IRA, and a Roth IRA with a combined value of \$1.1 million, the annual cost would be 0.45% based on the total value of the accounts. This is more favorable for you than a tiered or blended fee structure in which the 0.85% cost is applied to the first \$100,000, 0.75% to the next \$150,000, etc. (Text from website on "Cost Structure" page)**

What is the minimum amount of assets required for you to take a client?

**\$50,000 (We waive our minimum asset requirement for physicians in training, residents and fellows)**

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.

Do you routinely sign a fiduciary agreement with clients?

Yes.



## Investment Philosophy

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

**For most clients, we overweight small cap and value stocks, which have historically outperformed the overall market averages over long time periods. We do not tend to add value via market timing or stock selection.**

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 feel a low-cost term life insurance policy from a reputable company is a better option for most physicians.**

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?

**0%**

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

**We select mutual funds and ETFs with low fees for our client accounts.**

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

**Vanguard**

**DFA**

Bridgeway

iShares

Other (Please list):

**Charles Schwab ETFs**

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

**Yes.**

## 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):

**220 Physicians.**

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

**We have 18 years of experience in managing investment assets for physicians. The principles of the firm are practicing physicians, and are familiar with the financial challenges and opportunities facing physicians. We emphasize tax efficiency, low fees, and a sound approach to investment management derived from academic finance.**

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?

**We routinely provide advice to our physician clients regarding their student loan repayment programs.**

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

**We have assisted about 110 clients with Roth conversions in the last year.**

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):

**We routinely manage and provide advice on all of the account types listed above.**

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

**We regularly communicate with clients via phone, email, and our quarterly newsletter.**

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

**We would be happy to answer any other questions you may have regarding our services.**