

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

Personal and Firm Information

Your Name: Wesley Botto

Name of Firm: Cornerstone Financial Group

Insert link to your website: <http://cfgconnect.com/>

Insert link to your ADV2:

https://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=500520

Which services do you provide:

Financial Planning

Investment Management

Both

Other services (please list):

Years of financial experience: Mark Botto: 35+ years, Wesley Botto: 8 years

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

Years your firm been in business:

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

CFA

CFP

ChFC

CLU

CPA – **yes**

PFS

EA

MBA

BS or MS in finance related field – yes, BS in accounting, MS in accounting

Other (please list):

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.

Account Size	Maximum Annual Fee
First \$3,000,000	1.00%
Next \$7,000,000	0.50%
Above \$10,000,000	0.40%

Fee for Financial Plan: Typically (95% of the time), this is \$0 (included in the AUM fee above). However, if a situation is more complex, we will quote a fee once we understand the scope. Fees range between \$2,500 - \$5,000. Especially with physicians, this fee would typically not apply.

What is the minimum amount of assets required for you to take a client? **No minimum**

If you receive payment for insurance product commissions, what percentage of your business revenue do they make up? **Less than 10% per year. Typically under 5%.**

Do you consider yourself a fiduciary? **Yes**

Do you routinely sign a fiduciary agreement with clients? **No, however we are required to act as fiduciaries as we are IAR only.**

Investment Philosophy

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

Yes. Once we determine a client's goals, we propose a portfolio that will seek to achieve client objectives with the minimum amount of risk.

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

No, we do not believe you can time the market.

Do you pick individual stocks for clients?

No. Occasionally clients ask for research on an individual stock, which we will do. Sometimes they elect to buy that security.

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

Not most physicians, however there are rare cases where it can make sense. We always encourage clients to first max out their retirement plan options (401k, 403b AND 457b, etc.), and sufficiently fund a non-retirement account. If a client is making significant contributions (\$100,000+ annually – NOT including the retirement plan contributions) to non-retirement accounts, then we would consider a cash value policy. We would not recommend a client having more than 10% of their investable assets in a life insurance policy. A cash value policy can also come into play when a client's net worth exceeds the unified credit (although this is greater than \$20M today for MFJ taxpayers, it is scheduled to go back down to \$11M after 2025). Again, this does not fit most physicians, however under the appropriate circumstances we consider it.

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?

Generally, no. However, there are some asset classes where we use active management, such as in fixed income during this time of rising interest rates. We believe there is evidence that shows actively managed fixed income is effective in these times. On the equity side, we are typically at or near 100% indexes.

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

On the equity side, 80-100% are in ETF's or index funds. On Fixed income anywhere from 0-100% are in active management, depending on the size of the client.

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

Significant. If we are choosing active management, there has to be a strong argument for using it. The burden of proof is on the higher fee funds. Our default is to use low cost indexes or ETFs.

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

X Vanguard

DFA

Bridgeway

iShares

Other (Please list): **Fidelity**

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):

20+

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

We are very familiar with all of the stages of the doctor's career (residency, fellowship, practicing physician, retirement). We have provided financial advice during each of those stages. We are very familiar with the benefits that the local hospitals offer. We have good relationships with HR departments so that we are able to help physicians enroll in or get information about the programs offered such as retirement plans and employer provided disability and life insurance.

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?

Yes – we have experience guiding clients through these options. This advice is included in the regular fees listed above.

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

5

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):

Non-qualified deferred compensation

Non-retirement (taxable accounts)

Donor Advised Fund

Charitable Trusts (CLT, CRT)

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

We call all of our clients every quarter. We offer to meet quarterly. As we have no minimum, this means that it does not matter how much the client has invested with us. We send monthly market

updates so that clients are aware of our outlook on the market. If we do any widespread rebalancing across accounts, we discuss this in our quarterly meetings.

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

In addition to myself serving the physicians, I work with my dad, Mark Botto. He has been in the industry for over 35 years and has been serving physicians for that long. Many of his clients he has had for over 30 years. He has guided many physicians through the early phases of their career and on into retirement and continues to serve them today. He has an MBA.

I worked at Deloitte for 4 years which has helped my problem solving and attention to detail. I bring that to clients and routinely find ways to reduce client's taxes or expenses.