

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

## Personal and Firm Information

Your Name:

Aaron Milledge  
Brandon LaValley

Name of Firm: Targeted Wealth Solutions

Insert link to your website: <https://targetedwealthsolutions.com>

Insert link to your ADV2: [Targeted Wealth Solutions ADV Part 2](#)

Which services do you provide:

Financial Planning

Investment Management

**Both**

Other services (please list):

- Employee Financial Wellness / Benefit Education
- Workplace Retirement Plans (401(k), Cash Balance, SEP, SIMPLE) as ERISA 3(21) or 3(38) fiduciary when applicable
- Business Consulting / Business Financial Planning

Years of financial experience: 3 (post USAF flying careers)

Years of experience with financial planning or investment management for individuals: 3

Years your firm been in business: 3

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

CFA

**CFP (Brandon is eligible to sit for the March 2019 exam; Aaron is finishing his capstone requirements after receiving class credit from his MBA and plans to sit for the same exam)**

ChFC

CLU

CPA

PFS

EA

**MBA**

BS or **MS** in finance related field

Other (please list):

MPAS (Master Planner Advanced Studies from the College for Financial Planning)

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.

Amount of Assets Under Management	Annual Fee
\$200,000 - \$400,000	1.00% (100 basis points)
\$400,001 - \$1,000,000	0.85% (85 basis points)
\$1,000,001 - \$5,000,000	0.75% (75 basis points)
\$5,000,001 - \$10,000,000	0.50% (50 basis points)
\$10,000,000 and above	0.40% (40 basis points)

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

\$200,000 per ADV, but we maintain discretion (we've taken clients with zero 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.**

Do you routinely sign a fiduciary agreement with clients?

**Included in our client contract.**

## Investment Philosophy

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

**We typically employ a factor-driven approach that captures low fees and a statistically significant exposure to factors that have been vetted academically and practically (momentum, quality, low volatility, small size, value). The weightings of those factors are usually aligned to the client's quantified risk tolerance (we use Riskalyze) since, for example, low volatility has a lower expected return (and historical risk) than momentum. I hesitate to call that tactical allocation... it's more of a core (broad index) and satellite (factors) approach.**

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?

**The short answer is no. (And full disclosure: we're naturally really biased against cash value policies) The longer answer is more nuanced and requires a deep dive into a lot of variables during the planning process that are inherently difficult to forecast. With that said, however, we've unwound every whole life policy a client has brought to us... we've yet to find the perfect situation (even in succession planning for business owners) where a cash value policy makes sense.**

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?

**We don't use active management in the classic market timing/stock selection sense. We do believe in factor investing, so this question is somewhat complex. For the equity side, we utilize low-cost factor ETF and DFA products that constitute about 50% of our equity exposure (the other 50% is indexed). Our bond allocations are similarly constructed. We complement broad aggregate indexes with managers (again, like DFA) who are mindful of duration and how they invest along the yield curve.**

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

**Fees are the first screen that we execute after formulating our allocation thesis; low fees play a hugely important role in our portfolio construction**

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

**Vanguard**

**DFA**

Bridgeway

iShares

Other (Please list):

AQR

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

**Upon rebalancing of taxable accounts (our rebalancing criteria is set based on deviation from the ideal allocation versus a calendar-driven schedule)**

## 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):

2 active physicians

1 retired physician

1 active dentist

Brandon volunteers on the Board of Directors for a dental non-profit and assists with retirement planning, employee benefits, and participant education

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

**We began our careers as fighter pilots in the Air Force, and we saw similarities with our situation and the flight surgeons who were attached to our units. That is, we were both “high demand, low density” professionals – too little of us to go around, so to speak. With that said, we shared a common risk of professional burnout given the demands placed on us by our primary careers and all of the requirements on the periphery. When we started Targeted Wealth Solutions, we wanted to help clients offload as much financial and business uncertainty onto us so that they could focus more on the qualities of their personal and professional lives that add the most value.**

**That focus manifests itself in a few ways with our clients:**

- **A checklist-drive, action-oriented financial plan that is bespoke to the client. We believe that motivated and disciplined professionals respond well to checklists that address immediate issues and set the stage for longer term victories.**
- **We serve as the professional liaison between our clients’ CPAs, attorneys, insurance brokers, and other providers who are identified as key players in our clients’ financial lives.**
- **We help identify business pain points (like seasonality with cash flows, bad financing, operational bottlenecks) that contribute to financial stress**
- **Investment strategies that are cost, tax, risk, and goal/timeline aligned so that saving for the future gets placed on “autopilot”**

**Our value, then, is a suite of services that attempts to recover “lost time” and mitigate excess financial and business worry.**

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. Additionally, we specifically use a financial planning software (RightCapital) that has a really robust student loan scenario module. This advice is included in our regular fees.**

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

2

(We also assist with Roth conversions)

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):

Thrift Savings Plan (TSP)

ESOP/ESPP

(We also serve as 3(21) and 3(38) fiduciaries for qualified plans)

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

**We manage expectations from the beginning of a client relationship. That is, we're very quick to point out that the last decade has seen returns and volatility that is unlikely to persist going forward. Additionally, we update clients on where we believe we are in the business and credit cycle. This isn't an effort to time the market, but rather put investing into the context of the ebb and flow of the economy (good times don't last forever). Along the way, we routinely update client risk tolerance and demonstrate historical drawdowns based on the current investment allocation. If a client isn't comfortable with the hypothetical drawdown, we revisit the allocation AND the financial plan, as the assumptions are based on a discrete return estimation. We communicate the benefits of a long-term horizon throughout our commentary to clients as well.**

**That work is done BEFORE the downturn so we don't have to actually modify behavior during a tough patch in the market.**

Anything else that you would like me to take into consideration with regards to your application?

(Attach additional documentation as desired)