

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

Personal and Firm Information

Your Name: Adam Grossman

Name of Firm: Mayport Wealth Management

Insert link to your website: www.mayport.com

Insert link to your ADV2:

https://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=456241

Which services do you provide: Financial Planning and Investment Management

Years of financial experience: 9

Years of experience with financial planning or investment management for individuals: 9

Years your firm been in business: Less than one year (founded April 2017)

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

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

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.

Mayport has two service offerings: Wealth Management Service and Financial Planning. Below are details on each service.

Mayport's Wealth Management Service provides comprehensive financial planning and investment management. Fee structure: Fixed annual retainers ranging from \$5,000 to \$20,000, depending only upon the complexity of the client's situation. The size of the client's account does not necessarily impact the fee. Examples of factors that increase complexity include: a large, pre-existing portfolio of individual stocks; multiple private investments or outside business interests; international tax liabilities; or ongoing, complex, estate planning needs. Fees are fixed for a year at a time and may stay the same, increase or decrease each year as the client's situation evolves. In all cases, Mayport is happy to meet with prospective clients at no charge to understand the scope of their needs. After understanding their needs, Mayport will provide a personalized proposal.

Mayport's Financial Planning Service provides financial planning but not investment management. This service is appropriate for clients who do not have investment accounts to be managed. Under this service option, Mayport can prepare a complete financial plan or can address clients' specific questions. Depending upon the client's needs, topics might include: long-term cash flow planning; household budgeting (we have a framework for helping young physicians allocate their new paychecks following residency); debt management; asset allocation; 401(k)/403(b) investment selections; review of private investment fund offering documents; stock options; educational financing for children; insurance; charitable giving strategies; and estate planning. Fee structure: For financial planning, Mayport works on a simple, hourly basis. Most projects range from \$1,000 to \$5,000, depending upon the scope.

What is the minimum amount of assets required for you to take a client? Mayport believes that everyone is entitled to high-quality financial advice, so we have no formal minimum.

If you receive payment for insurance product commissions, what percentage of your business revenue do they make up? We do not sell insurance products.

Do you consider yourself a fiduciary? Yes, at all times.

Do you routinely sign a fiduciary agreement with clients? Yes.

Investment Philosophy

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

No, Mayport does not believe in tactical asset allocation. Instead, Mayport believes that investors should work hard to control those factors that are within their control – including fees, expenses, commissions and taxes – and should not spend time trying to control factors that are outside their control. Factors outside their control include the future direction of the economy, of the stock market or of individual stock prices. That is why Mayport does not believe in tactical asset allocation.

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

No. Mayport never recommends market timing.

Do you pick individual stocks for clients?

No. Mayport does not recommend that clients purchase individual stocks. However, if a new client comes in with a pre-existing portfolio of individual stocks, Mayport has a methodology to manage and transition out of these holdings in a sensible way.

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

No. I do not believe that anyone needs to own a cash value life insurance policy. I believe this applies especially to physicians, whose incomes and assets generally rise steadily throughout their careers to the point that they no longer have a need for life insurance. For that reason, I recommend term insurance covering perhaps the first twenty years of a physician's career.

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. The data indicate that just a tiny minority of managers are able to beat their benchmark over time, and I believe it is virtually impossible to identify those managers in advance.

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?

Below is an overview of the Mayport investment process, including the role of fees:

Step 1: At Mayport, the first step is always a financial plan.

Step 2: Using the financial plan as a roadmap, Mayport develops a recommended asset allocation.

Step 3: Within each asset class, there may be hundreds of potential investment vehicles. To decide among them, fees are an extremely important factor. That is because, on average, less expensive funds beat more expensive funds, and the data indicate that fees are one of the *only* reliable indicators of future fund performance. Mayport believes that clients should pay as little as possible to gain reliable, tax-efficient exposure to the market and should not pay more to gain access to fund managers who are trying to beat the market.

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

✓ Vanguard

✓ DFA

Bridgeway

iShares

Other (Please list):

✓ Schwab (For clients whose accounts are custodied at Schwab, Schwab's own line of index mutual funds, which carry very low fees and do a good job tracking their benchmarks, are available with no trading commission.)

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

Mayport understands the value of tax-loss harvesting, but we do not believe that it is mandatory for every client in every situation. Instead, we take a holistic approach to clients' taxes, using tax-loss harvesting as just one of the methods available to minimize clients' tax bills. Other factors that we consider include:

- The client's age, keeping in mind the step-up in basis that occurs when an estate is inherited.
- We consider clients' charitable plans and look to make gifts of highly appreciated securities.
- We consider the overall size of a client's account and the value of individual holdings in relation to the prospective tax benefit of tax-loss harvesting trades.
- The client's current marginal tax bracket. Younger people with lower incomes might be paying low, or even zero, capital gains rates. In those cases, tax-loss harvesting might of little value and would simply incur trading expenses.

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):

Just one. However, I launched my firm less than six months ago.

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

Doctors undoubtedly have the technical ability to learn how to manage their finances, but they generally lack the time. As a result, my biggest value-add is to provide financial structure for physicians – to make a plan and to help them stay on track, to make sure that they are sufficiently protected (from lawsuits, from disability and from other potential setbacks) and generally to be thinking about their finances every day so that they can stay focused on the things that are most important to them, including their patients and their families.

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? To be conservative, I would not describe myself as an expert on all of these plans, but I am certainly familiar with them. In addition, I had six-figure student loans myself, and have had other debts, so I certainly understand the principles of debt management and understand the student loan landscape. Advice on this topic is included in our Wealth Management Service and in our Financial Planning Service, if a client requests it.

How many clients have you assisted with a Backdoor Roth IRA in the last year? None in the past year. I have, however, done it in the past (i.e., more than one year ago) for physicians. I advocate it and am very comfortable with the math and with the process.

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

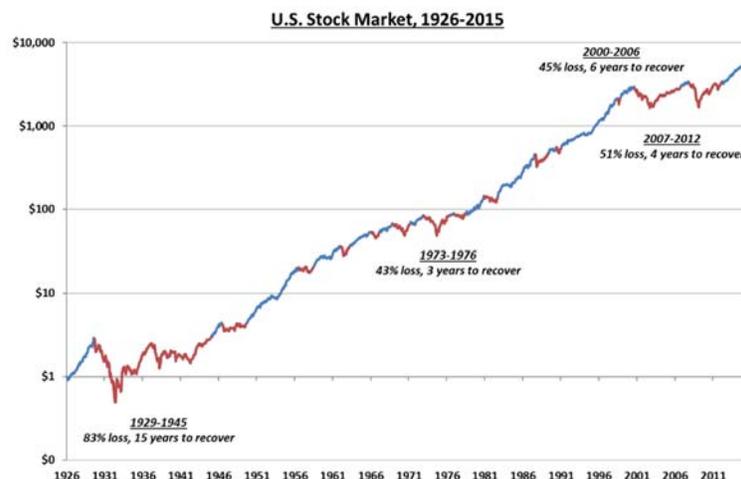
Others (Please list):

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

Ideally, my work begins *before* a downturn comes. At that stage, when the market is still high, my primary responsibility is to ensure that clients, especially those drawing income from their portfolios, have the right asset allocation so that they can weather a multi-year downturn without having to sell any of their equities. During good markets, I also work hard to make clients aware of the “recency bias” – that is, believing that the market couldn’t possibly go down since it’s been so good for so long.

When the market enters a downturn, I take the following steps:

- **Communicate.** When the markets turn negative and all of the headlines are scary, clients have questions and want to talk through their concerns. For that reason, I would be actively communicating to monitor clients’ anxiety level and to provide the reassurance that they need. If I have done my job prior to the downturn, I should be able to point to the asset allocation in the client’s portfolio and use that as a rational basis to provide this reassurance.
- **Provide information and context.** All of my clients have seen the following chart, and I would certainly remind them of it during a market downturn. This is how I would explain it:
 - While past performance is not a guarantee of future results, historically, the U.S. stock market has always reclaimed its prior high and then gone higher. For that reason, I do not advise selling equities when the market is down.
 - There is a logical reason why we should expect the market to rebound over time: Ultimately stock prices are anchored – however loosely – to the earnings of the underlying companies. So, as long as you believe in the potential for the U.S. economy to grow, you should believe in the stock market’s ability to appreciate over time.



Note: Though my own firm is less than a year old, I was in a client-facing role in September 2008, and throughout that entire crisis, so the answers I have provided above are not hypothetical. They are based on my own past experience.

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

I am a strong advocate for investor education. For that reason, I write and teach frequently. On a weekly basis, I write a "memo" on a financial planning or investment-related topic. I email these to my clients and post them to my blog. In addition, I teach personal finance classes for adults through a local school system in Boston and lecture as much as I can at other local schools and colleges. In one-on-one meetings with clients, I am always in an educational mode. While clients are happy to delegate to me, I also want them to understand the mechanics of what I'm doing.

To get a better sense of my approach and my philosophy, you may wish to visit my blog at Mayport.com/blog. You can also find some of my writing on HumbleDollar.com (<http://www.humbledollar.com/?s=adam+grossman>).

I would value the opportunity to become a member of the White Coat Investor community. Thank you for your consideration.